2020
ANNUAL REPORT

40th
YEAR
ANNIVERSARY

cbz Holdings


cbz
WELCOME
cbz Bank
cbz Capital
DAT VEST

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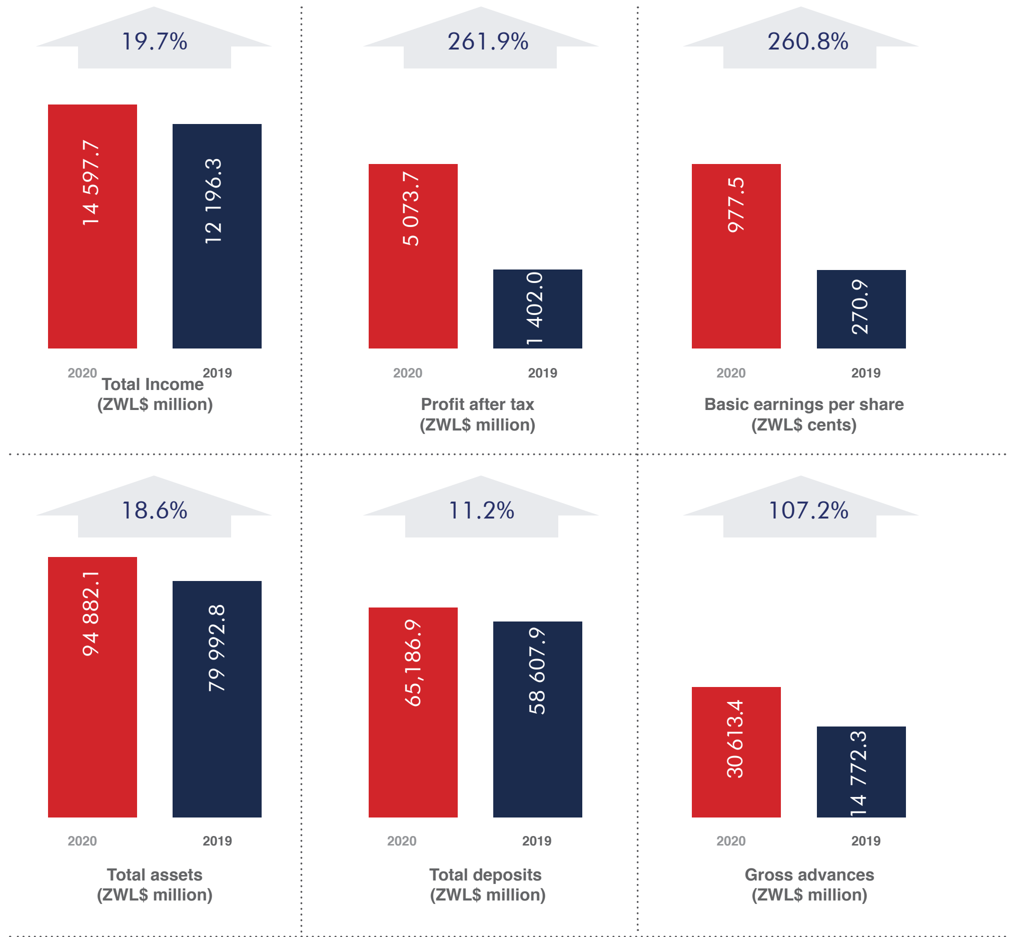
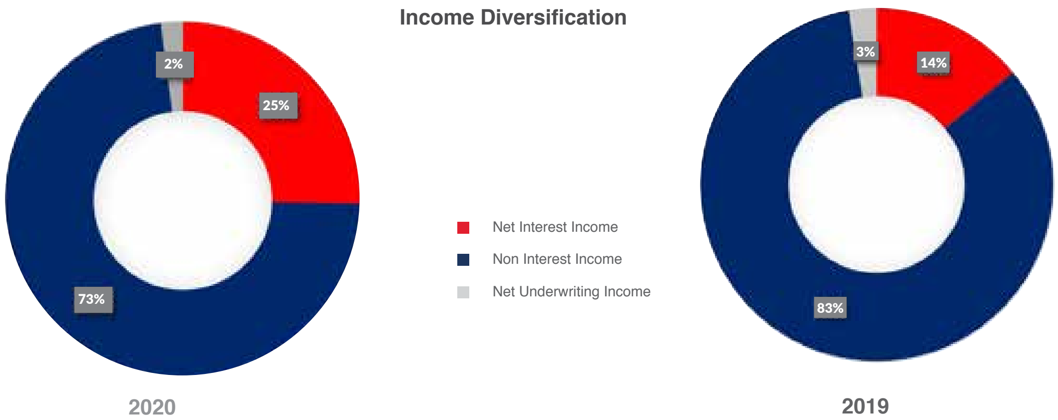
GROUP SALIENT FEATURES

INFLATION ADJUSTED



Income Diversification



Key Ratios

Return on Assets
2020
5.8%
2019
5.3%

Return on Equity
2020
33.5%
2019
13.1%

Cost to Income
2020
38.2%
2019
40.1%

CORPORATE PROFILE

OUR JOURNEY

40th YEAR ANNIVERSARY

200

04

In 2005

In 2006...

05

We made a promise to protect your most prized possessions through offering innovative and valuable short term insurance solutions.

2006

In 2007...

06

We acquired Beverley Building Society, further diversifying our services to offer mortgage-finance products.

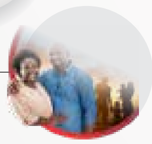
2007

In 2010...

07

We made a commitment to always be there for you and your loved ones through our Life Assurance solutions.

2010



In 2016...

08

Driven by technology to enhance convenience for our customers' we launched Zimbabwe's first innovative and fully integrated financial services mobile application, CBZ Touch.

2016

In 2017...

09

Backed by a solid foundation hinge on financial stability and prudent foresight we introduced an Insurance Broking and Risk Advisory Services Unit.

2017

10

In

#StrengtheningPartnerships

In 1980...

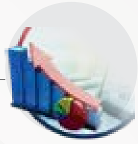
01 Our journey began.

1980

In 1998...

02 We were listed on the Zimbabwe Stock Exchange.

1998



In 2004...

03 CBZ Holdings Limited was established to become the financial services provider of choice.

2004

5...

We grew our investments portfolio and acquired Datvest Asset Management.

ed

2019...

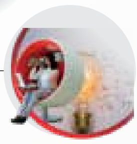
0 We established CBZ Agro-Yield to improve national food security for the people of Zimbabwe. We also began a major drive towards financial inclusion by offering microfinance solutions, through Red Sphere Finance.

2019

In 2020...

11 We set up CBZ Capital a suite to offer investment and structured finance solutions.We also set up CBZ Digital to drive the Business into the future.

2020



cbz Holdings

BUSINESS OVERVIEW

Group Overview

To fully appreciate the essence of CBZ Holdings' journey, we have to begin at its origin and foundation - our key birthmarks.

Founded in 1980 as the Bank of Credit and Commerce Zimbabwe Limited (BCCZ) that was a joint venture between the Government of Zimbabwe and the Bank of Credit and Commerce International Holdings Limited (BCCIH). In 2004, a new vision was adopted propelling the establishment of CBZ Holdings (CBZH) as an entity poised to provide all client segments with a one-stop shopping experience for financial services. Over the years, CBZH has diversified its operations to insurance – CBZ Insurance Operations (CBZ Insurance, CBZ Life, CBZ Risk Advisory), asset management– Datvest, properties – CBZ Properties, investment banking – CBZ Capital, Micro-finance Redsphere and agriculture sector – CBZ Agro-Yield.

We are a proudly Zimbabwean entity that came into being shortly after Zimbabwe's formal political transition to democracy. This allowed us to set new business norms and change the face of doing business by establishing a socially embedded enterprise that uses its business success to transform lives and make a difference in our communities. As such, we are driven by a commitment to serve the broader interests of communities at large.

As a holding company, we aim to create a portfolio of businesses, which are market leaders and can deliver sustainable earnings, attractive dividend yield and long-term capital growth. Such a business approach is based on sound business principles and excellent financial results to transform lives and make a difference in our communities, both internally and externally.

Group Business Model

Our ultimate objective is to thrive to keep our clients at the heart of everything we do by offering a better, modern approach to build and manage wealth in various forms as their Partners for Success in all the market segments that we operate in. We are long-term investors focusing on high-quality growth opportunities through a 'Thematic Growth Strategy' approach. The process is primarily top-down investment approach with a focus on broader, macroeconomic themes. The themes help in formulating strategic context, getting behind future tailwinds, narrowing the universe, and focusing further research while avoiding spot forecasting or market timing.

We are always looking closely at industries and businesses and act as catalytic to create economic value for our clients, investors, stakeholders and the economy at large. We have a deep concern for upscaling the Zimbabwean economy, hence our desire to always look for great new adventures and challenges. This performance is achieved by partnering with all key stakeholders and exceptional management teams as we are represented on all the relevant strategic and governance forums and provides our subsidiaries with a responsible and stable shareholder of reference.

The Group also believes that through the utilization of the origination capabilities, operating platforms and distribution networks of these businesses, it can diversify, through capturing a larger share of profits, from providing investment banking, asset management, advisory, and insurance tailored offerings. Through the tailored offerings, the Group will, over time, offer differentiated value propositions for customers and generate new and potentially meaningful revenue streams.

Agriculture and mining remain key growth sectors for Zimbabwe, and the newfound interest in agriculture for CBZ Holdings since 2019 through CBZ Agro-Yield is anchored on delivering digital agri-technologies. To bring the full benefit across the agriculture value chain, CBZ Agro-Yield is exploring the following four areas of digitalization:

1. Precision agriculture,
2. Connected supply chain,
3. Digital marketplace and
4. Autonomous operations.
5. Smart Agriculture

The Group's strategy is to broaden its financial services offering as it enables a comprehensive customer offering and experience.

CBZ Holdings represents an exciting opportunity to build new businesses and make a difference in individual lives.

GROUP STRUCTURE

CBZ BANK LIMITED
100%
Commercial banking and mortgage financing

CBZ PROPERTIES (PRIVATE) LIMITED
100%
Property ownership, development and management

CBZ ASSET MANAGEMENT MAURITIUS
100%
Fund management and advisory services

CBZ RISK ADVISORY SERVICES (PRIVATE) LIMITED
100%
Insurance broking and Advisory services

CBZ HOLD LIMITE

CBZ Holdings Limited
financial services Grou
Zimbabwe Stock Excha
operations thro
Zimbabwe and employing 1
has subsidiaries in Banking,
short term), Asset Manage
(CBZ Agro Yield) and R
addition, the Group ha
property portfolio m
subsidiary, CBZ P
(Private) Lim

DINGS
ED

is a diversified
p, listed on the
ange (ZSE) with
ughout
314 staff. The Group
Insurance (long and
ment,Agro Business
isk Advisory. In
as a significant
anaged by its
Properties
ited.

CBZ AGRO YIELD
100%
Agriculture based financing

CBZ LIFE LIMITED
100%
Long term insurance

CBZ INSURANCE
(PRIVATE) LIMITED 98.4%
Short term insurance

CBZ ASSET MANAGEMENT (PRIVATE) LIMITED
T/A DATVEST 100%
Fund management
and advisory services

Redsphere
100%
Micro finance

GROUP COMMUNICATION STATEMENTS

Marc Holtzman

GROUP CHAIRMAN'S STATEMENT

It is a great pleasure to present the financial and strategic performance of CBZ Holdings Limited (CBZH) and its subsidiaries "The Group" for the year ended 31 December 2020.

Given the unique circumstances around 2020, it is important to outline the environmental context under which this performance was achieved. The pandemic has resulted in an unprecedented disruption to global production, international trade, global supply chains and aggregate demand as well as a shift in national, organisational and household priorities with the primary focus being on health and safety. The World Bank estimated global economic activity to have contracted by 4.3% in 2020 – the sharpest decline in more than seven decades. Zimbabwe's economic environment has not been spared of the effects of this pandemic. At the center of economic activity, the financial services sector naturally faced downside risks from the overall reduction in economic activity.

Locally, the authorities continued the macroeconomic reforms started in 2019, while introducing more policy measures targeted at supporting businesses, saving lives, strengthening community resilience and supporting the economy. These included, among others, partial relaxation of monetary policy measures – through lowering of the central bank rate, fiscal incentives and introduction of a foreign currency auction system. These measures, together with the move to allow economic agents to use foreign currencies for local purchases of goods and services, somewhat aided businesses performance. After the initial rise in inflationary pressures and currency devaluation during the first half of the year, the exchange rate subsequently stabilised around ZW$82 against the United States dollar (US$) while inflationary pressures eased during the last quarter of the year.

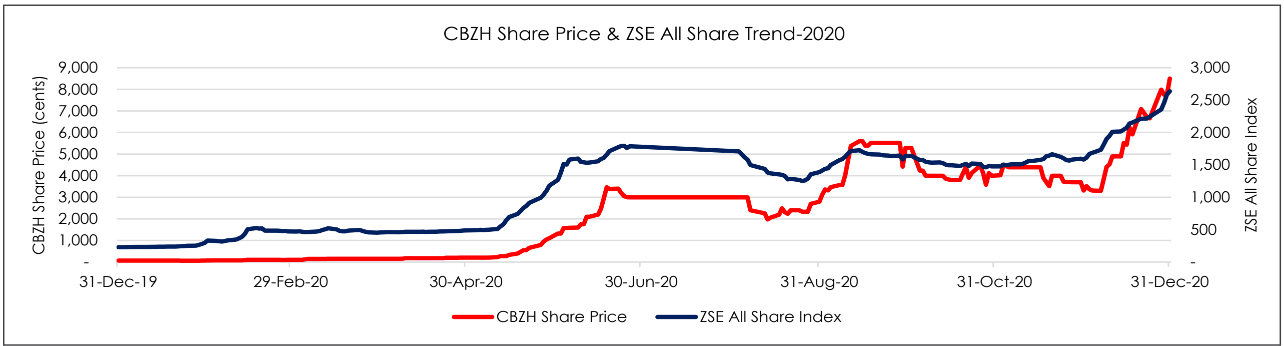
The CBZ Group continued to leverage on its strong capital and balance sheet positions, deep understanding of the local markets, extensive investment in digital platforms and a culture of innovation to provide much-needed support which was greatly appreciated by our employees, clients and other stakeholders. The regulatory authorities' decision to allow local use of foreign currencies enhanced the Group's ability to better respond to the evolving demands of our wide range of customers, including through developing customer centric products and preserving shareholder value. Furthermore, the addition of new and strengthening of existing correspondent banking relationships, enabled the Group's banking subsidiaries to better meet the trade finance requirements of its clients.

Finally, since 2014 CBZ had been cooperating in investigations by the Department of the Treasury's Office of Foreign Assets Control (OFAC) and after much hard work by our team, August 2020 brought the great news of the resolution of this long-standing matter. OFAC issued CBZ a Cautionary Letter which removed a potential fine of US$385million and this effectively brought to a close their investigations, restoring our relationship with the US Treasury and lifting prohibitions which had an impact on CBZ transacting internationally using the United States Dollar.

Share Price Performance

On the capital markets, the CBZH share price outperformed the overall market after it rose by 12,093% to end the year at ZW8500 cents. The ZSE benchmark index rose by 1,726% growth. CBZH resultantly ended the year as the largest counter on the Zimbabwe Stock Exchange with a market capitalisation of ZW$58.4 billion. The graph below highlights the movements in the CBZH share price and the benchmark industrial index from December 2019 to December 2020.

Share Price Performance



Corporate & Social Responsibility

The Group continued to support the community through a number of initiatives during the year. The main focus was towards the fight against the global Covid-19 pandemic. During 2020, the Group donated an ambulance to Harare Metropolitan Province for ferrying COVID-19 patients and conducting contact tracing. Laboratory equipment was also donated to the University of Zimbabwe's Department of Medical Microbiology and a borehole was drilled for the Harare Fire Brigade. Major referral hospitals were provided with bulk personal protective equipment (PPE) and sanitizer while funding was extended to St Annes Hospital for capacitation as a COVID-19 Centre. The Group contributed funding to the Victoria Falls Famine Appeal Trust and the 'I am for Bulawayo Trust' for struggling SMEs and capacitation of hospitals in the southern region respectively.

The Group successfully hosted the CBZ Marathon in March 2020 in support of the Health Sporting Excellence awareness where more than 2000 athletes registered.

Governance & Directorship

The CBZH governance framework supports the principles of integrity, strong ethical values and professionalism integral to the company's business. The Board recognizes that it is accountable to Shareholders for good corporate governance and is committed to highest standards of governance which are recognised and understood throughout the Group. The Board is primarily accountable to shareholders, while also considering the interests of other stakeholders such as customers, employees, suppliers, regulators and the community. In an environment of increasing change and complexity of regulation, the Board aims to achieve a balance between the governance expectations of shareholders and other stakeholders as well as the need to generate competitive financial returns.

The Group Board is composed of exceptional men and women who have done amazing work under challenging circumstances. The Board has performed amazing work setting the strategic direction of the Group and ensuring that the Group manages risk effectively. The Board has set measurable objectives to promote a healthy corporate culture that is aligned with strategy and our strong commitment to our stakeholders.

Board changes during the period under review are highlighted in the Corporate Governance section.

Overview of the Group's Performance

	INFLATION ADJUSTED		HISTORICAL	
	AUDITED DECEMBER 2020 ZWL $m	AUDITED DECEMBER 2019 ZWL $m	UNAUDITED DECEMBER 2020 ZWL $m	UNAUDITED DECEMBER 2019 ZWL $m
Key Financial Highlights				
Profit after taxation	5 073.7	1 402.0	6 147.1	925.0
Total comprehensive income	5 513.1	3 963.4	9 502.4	1 733.3
Total assets	94 882.1	79 992.8	88 353.6	16 960.0
Total equity	17 621.6	12 642.6	11 064.2	2 037.5
Total deposits	65 186.9	58 607.9	65 186.9	13 065.0
Total advances	29 438.9	13 519.9	29 438.9	3 013.9
Other statistics				
Basic earnings per share (cents)	977.53	270.86	1 184.09	178.19
Non-interest income to total income (%)	72.8	83.4	79.6	91.3
Cost to income ratio (%)	38.2	40.1	29.2	29.8
Return on assets (%)	5.8	5.3	11.7	11.6
Return on equity (%)	33.5	13.1	93.8	78.6
Growth in deposits (YTD %)	11.2	1.2	398.9	528.4
Growth in advances (YTD %)	107.2	(0.4)	876.8	518.9
Growth in PAT (YOY %)	261.9	(30.3)	564.6	1 181.6

Dividend

The Board has proposed the declaration of a final dividend of ZWL$1 500 000 000 or 287.37 cents per share. This declaration brings the total dividend declaration to ZWL$1 850 000 000 representing a growth of 1 373% on the prior year declaration. A separate dividend announcement with entitlement dates will be published.

Outlook

Economic and business recovery and transition into the next normal is likely to be uneven across many economies and sectors. In the financial services sector, the transformation that was accelerated by the COVID-19 pandemic in 2020 is expected to further crystalise by formalizing new business models, further embracing disruptive technologies and transitioning to flexible working arrangements among other initiatives. The indexation of minimum capital requirements to the US dollar is expected to strengthen those institutions that would have managed to comply. However, the regulatory landscape would also need to evolve with the rapid adoption of non-traditional systems and solutions such as digital transactions, cloud computing and open banking. The recent finalisation of the Fintech Regulatory Sandbox is a remarkable step which shows authorities' transition towards allowing greater innovation across the financial sector.

Appreciation

My appreciation goes to our valued clients who remain the mainstay of our success. I also wish to thank fellow Directors from the Board, the Boards of Subsidiary Companies, Management and Staff especially Dr. Blessing Mudavanhu for exceptional service above and beyond the call of duty.

Marc Holtzman

……………………..

M Holtzman

Group Chairman

18 May 2021

Dr. Blessing Mudavanhu

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

> **"Despite the challenges induced by the COVID-19 pandemic, its associated lockdowns and the resultant muted macro-economic growth, it is pleasing that CBZH managed to produce very good results thus creating sustainable and enduring value for stakeholders."**

The current, unprecedent market conditions resulting from the coronavirus disease ("COVID-19") pandemic have created significant headwinds locally and globally. These prevailing market conditions, as well as possible further economic distress, will have an impact on our ability to execute on business pipelines in the short to medium term and to grow the business portfolios.

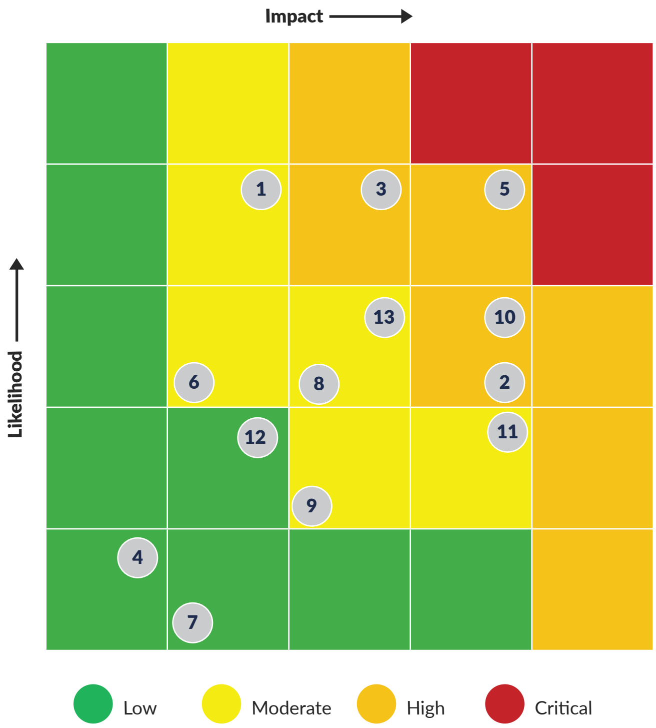
We will continue to assess options to monetize our business portfolios, over time, in an orderly manner and to return maximum value to shareholders.

Despite the challenges induced by the COVID-19 pandemic, its associated lockdowns and the resultant muted macro-economic growth, it is pleasing that CBZH managed to produce very good results thus creating sustainable and enduring value for stakeholders.

The COVID-19 pandemic is a global stress event that is testing all businesses' financial, operational and commercial resilience. Against this backdrop, we find ourselves having to adapt rapidly and at scale to current constraints and market conditions.

To date, CBZ Holdings Limited ("CBZH" or "the Group") and its subsidiaries have understandably prioritised immediate operational and financial measures to ensure that it is able to keep core business activities going based on its business impact analysis as shown below:

Risk Areas	
1	Strategy
2	Financial Sustainability & Liquidity
3	Business operations
4	Leadership
5	Workforce
6	Technology
7	Governance
8	Legal obligations
9	Regulatory & Compliance
10	Stakeholders
11	Supply Chain
12	Brand
13	Buildings & Facilities



During this period, CBZH responded quickly and implemented several initiatives to support employees and clients. This includes procuring and distributing computers to allow client facing and key support service personnel to work from home. 50% of branches were kept open during the lockdown period while employees continued to earn their full salaries.

Our primary focus still remains health and safety of staff and clients and further supporting our clients – including health and safety measures, new digital innovations and supporting clients. In this regard, our four strategic areas to focus still remain:

- Recovering revenue;
- Rebuilding operations;
- Rethinking the organization; and
- Accelerating the adoption of automation and digital solutions.

Digital platforms have transformed the way people manage their money and their day-to-day transactions. In this regard, our digital strategy aims to allow clients to perform their financial services activities remotely at their own convenience.

As a result of the aforementioned initiatives, the Group and its subsidiaries posted commendable financial performance and all the subsidiaries were adequately capitalized. As such, we remain very confident about our ability to attain growth and performance going forward.

We continuously looking for new opportunities to offer digitally led business solutions for clients, enterprises and entrepreneurs.

We thank all our committed employees for remaining resilient during an extraordinary difficult time, and continuing to follow the Covid-19 health protocols while diligently supporting our clients during the crisis. We extend our deepest condolences to the families, friends and communities of employees and clients who succumbed to Covid-19 and related illnesses.

....

Dr. Blessing Mudavanhu
Group Chief Executive Officer
18 May 2021

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDERS

INDUSTRY	Holders	% of Holders	Shares	% of Shares
COMPANIES	250	2.31	279 476 134	53.54
INDIVIDUALS	10 371	95.60	23 833 629	4.57
NON RESIDENTS	60	0.55	96 945 146	18.57
PENSION FUND	53	0.49	106 913 799	20.48
NOMINEES	73	0.67	10 470 787	2
INVESTMENTS TRUSTS & PROPERTY COMPANIES	29	0.27	638 600	0.12
INSURANCE	12	0.11	3 738 013	0.72
Total	**10 848**	**100**	**522 016 108**	**100**

RANGE	Holders	% of Holders	Shares	% of Shares
0 - 5 000	9 806	90.39	7 616 957	1.46
5 001 - 10 000	420	3.87	2 404 940	0.46
10 001 - 25 000	350	3.23	5 458 996	1.05
25 001 - 100 000	193	1.78	9 762 965	1.87
100 001 - 200 000	26	0.24	3 575 800	0.68
200 001 - 500 000	29	0.27	9 644 754	1.85
500 001 -	24	0.22	483 551 696	92.63
Total	**10 848**	**100**	**522 016 108**	**100**

CONSOLIDATED TOP 10 AS AT 31 DECEMBER 2020

ACCOUNT NAME	Shares	% of Total
AKRIBOS WEALTH MANGRS NOMINEES	150 811 692	28.89
GOVERNMENT OF ZIMBABWE	110 000 000	21.07
LIBYAN FOREIGN BANK (NEW NON RESIDENT) THE	96 609 470	18.51
NATIONAL SOCIAL SECURITY AUTHORITY	94 844 811	18.17
ROCK AND PILLAR HOLDINGS INTL	8 712 767	1.67
LOCAL AUTHORITIES PENSION FUND	7 000 000	1.34
PIM NOMINEES (PVT) LTD	4 078 830	0.78
REMO INVESTMENT BROKERS (PVT) LTD	2 222 802	0.43
STANBIC NOMINEES (PVT) LTD	2 015 217	0.38
CORONET SOAP NO.4 P/L	1 053 897	0.20
TOTAL	**477 349 486**	**91.44**
OTHER SHAREHOLDERS	**44 666 622**	**8.56**
SHARES IN ISSUE	**522 016 108**	**100**

SHAREHOLDER'S CALENDAR

Financial Year End	**31 December 2021**
Anticipated dates	
Half year's Results to 30 June 2021	August 2021
Full year's Results to 31 December 2021	March 2022
Annual report & Annual General meeting	May 2022

ACTUARY'S REPORTS

CBZ INSURANCE (PRIVATE) LIMITED
ACTUARY’S REPORT

as at 31 December 2020

STATUTORY INSTRUMENT 183 OF 2009

INSURANCE (AMMENDMENT) REGULATIONS,

I, James Olubayi, of Atchison Actuarial Services (Private) Limited, acting as the Appointed Actuary, certify that, as at 31 December 2020.

This Actuarial Valuation for CBZ Insurance Company has been prepared in accordance with the Guidelines to the Insurance Industry on Actuarial Valuations issued by the Insurance and Pensions Commission in Zimbabwe as well as generally accepted actuarial principles.

I further certify that, as at 31 December 2020, CBZ Insurance Company:

- Had enough solvency capital to meet the prescribed minimum regulatory requirement in accordance with the Insurance Act and IPEC guidelines;
- Disclosed technical provisions that were calculated in accordance with the prevailing Guidelines and generally accepted actuarial principles; and
- Had enough appropriate assets in terms of the profile of its liabilities.

………………………………..

James Olubayi
Appointed Actuary: CBZ Insurance

………………………………..

Assisted by Tawanda Chituku
Senior Actuarial Consultant: CBZ Insurance

18 MAY 2021

CBZ LIFE LIMITED ACTUARY'S REPORT

as at 31 December 2020

ACTUARY`S REPORT AS AT 31 DECEMBER 2020

STATUTORY INSTRUMENT 183 OF 2009

INSURANCE (AMENDMENT) REGULATIONS 2009 (No. 14)

Certificate as to the solvency of CBZ Life as at 31 December 2020

The following table shows the results of the actuarial valuation of CBZ Life on the Published Reporting Basis in respect of the year ended 31 December 2020.

Published Basis	31 Dec 2020 ZWL$	31 Dec 2019 ZWL$
Total Assets	523 153 872	111 169 091
Current and other Liabilities	(80 806 243)	(6 655 392)
Policyholder Liabilities	(92 764 857)	(3 934 894)
Investment Contracts	(14 624 922)	(3 409 051)
Excess Assets	**334 957 850**	**97 169 754**

The following table shows the results of the actuarial valuation of CBZ Life on the Statutory Reporting Basis in respect of the year ended 31 December 2020.

Statutory Basis	31 Dec 2020 ZWL$	31 Dec 2019 ZWL$
Total Admissible Assets	409 113 992	88 706 979
Current and other Liabilities	(80 806 243)	(6 655 392)
Policyholder Liabilities	(92 764 857)	(3 934 894)
Investment Contracts	(14 624 922)	(3 409 051)
Excess Assets	**220 917 970**	**74 707 642**
Minimum Capital Requirements	**75 000 000**	**75 000 000**

For statutory valuation purposes all assets in excess of the admissibility requirements in terms of Statutory Instrument 95 of 2017 must be treated as inadmissible. SI 95 of 2017 requires insurers to hold $75 million capital after excluding inadmissible assets and imposing haircuts on others.

The Company had admissible assets that exceeded actuarial and current liabilities as at 31 December 2020 by $221.0 million. The ratio of the Company's excess assets to the minimum capital requirement of $75 million as at 31 December 2020 was 295%.

I hereby certify that to the best of my knowledge and belief at 31 December 2020 the value of the admissible assets in respect of all classes of life business carried out by CBZ Life Limited exceeded the amount of liabilities in respect of those classes of insurance by 295% of the minimum requirement of ZWL 75 000 000 subject to my comment above.

Reconciliation of Excess Assets	31 Dec 2020 ZWL$	31 Dec 2019 ZWL$
Excess Assets per Published Accounts	**334 957 850**	**97 169 754**
Less: Inadmissible assets	**114 039 880**	**22 462 112**
Plant and Equipment	4 618 634	2 917 509
Intangible Assets	-	107 819
Discount 20% on listed equity	17 144 513	925 244
Discount 20% on Investment Property	62 059 613	14 093 000
Discount 20% on property under PPE	18 756 400	3 997 062
Deferred Commission	-	279 448
Intercompany Assets	10 600 295	102 127
Prepayments	860 425	36 516
Deferred Reinsurance Commission	-	3 387
Excess Assets per Statutory Valuation	**220 917 970**	**74 707 642**

For and on Behalf of AAC

....
Tinashe Mashoko
FIA FASSA

In my capacity as Revaluation Actuary

18 May 2021

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

INTRODUCTION

CBZ Holdings Limited (CBZ) and its Subsidiaries take a holistic approach towards Corporate Social Responsibility (CSR) in their business activities to ensure a positive impact on various stakeholders. The Group has adopted CSR policies and initiatives that are consistent with the standards that are espoused in ISO 26000:2010.

In driving the Corporate Social Responsibility initiatives as per its custom, the Group's CSR efforts are premised on seven key pillars of CSR namely: Organisational Governance, Human Rights, Labour Practices, Fair Operating Practices, Consumer Issues, The Environment and Community Involvement & Development (also referred to as Corporate Social Investment). The Group continues to monitor global developments to stay abreast of changes that occur from time to time. In 2020, the Group continued to support the community through a number of initiatives. The main focus was on fighting the Covid-19 pandemic.

Reducing Environmental Impact

In 2020, CBZ Holdings up scaled its endeavours to protect the environment and to adhere to the World Health Organisation (WHO) COVID-19 guidelines by introducing innovative channels to serve our customers. A significant investment was made on point of sale (POS) terminals which were rolled out to various merchants conveniently located close to customers. A campaign to register customers on the CBZ Touch mobile application saw the number of users rising from 534,087 at the beginning of the year to 625,176 at the end of the year.

To ensure that our customers do not exchange gadgets when transacting, the Group also introduced contactless gadgets and debit cards to allow customers to pay by just a tap and not punching PIN codes on POS machines. Similarly, we rolled out CBZ Pay (VISA on Mobile) whereby customers would pay by just scanning the QR code and payments will reflect instantly in the merchant's account. The aforementioned developments addressed the call to reduce the risk of spreading the COVID-19 virus and enabled our clients to transact 24/7 in the comfort of their homes. We also witnessed a reduction of traffic to our banking halls thereby significantly reducing carbon emissions as less clients drove or used public transport to carry out transactions at the bank.

CIVIC RESPONSIBILITY

Community Involvement

CBZ is committed to elevating marginalised members of the community. Our focus is to be involved in sustainable initiatives that are community-driven. We strongly believe in establishing smart partnerships that are purpose-driven, hence we developed these hashtags, **#PartnershipsWithPurpose** and **#PartnersForSuccess.** The hashtags resonated in all our community involvement initiatives in prior years.

Our key focus area was on mitigating the effects of the deadly COVID-19 pandemic, albeit also covering the following:

- Education;
- Philanthropy and;
- Health;
- Wellness - Sporting Excellence

Allan Twalumba Sibanda (right), moulds bricks using coal waste

EDUCATION

Youth Entrepreneurs Programme (YEP)

CBZ Holdings continues to support YEP by providing start-up capital and mentoring young entrepreneurs to enable them to grow their businesses and realise their dreams. Whilst building on the tremendous corporate social investment that Group has already made since 2016 and to proactively respond to the current realities brought about by COVID-19 and the lock-down rules and regulations, the 2020 YEP edition was implemented online. The programme attracted more than 308 young entrepreneurs who participated through short practical audio business lessons. The year's theme was aligned to the global pandemic response - **'Accept, Adopt and Astound'.**

Tafadzwa Sakupwanya, a young agri-prenuer currently doing horticulture.

The 2020 YEP lessons and workshops were conducted using Google Classroom, Zoom and WhatsApp platforms interchangeably. Transformational, short practical audio business lessons were broadcast for young entrepreneurs to accept the current reality, adapt their business models and astound the market with excellent service to achieve business success under previously unprecedented circumstances.

The attendance rate per workshop via Zoom was between 50% - 65%. Eight (8) topics were covered over the period. Five (5) participants who were very active and attended consistently; Allan Twalumba, Tafadzwa Sakupwanya, Tendai Chimuka, Oprah Mapona and Beaulah Shamiso contributed during YEP 2020. They were selected and awarded prizes of USD400 each, converted to ZWL32, 740.00 at the RBZ inter-bank rate of that day.

Food preservation project by Tendai Chimuka.

Oprah Mupona (left), a successful animal husbandry (rabbit) farmer.

Some of the potatoes grown by Beaulah Shamiso.

Tariro Trust

CBZ Holdings partnered Tariro Trust - an organisation that helps orphaned and vulnerable children, with emphasis on the marginalised girl child - to have access to quality education. In 2020, the Group continued to partner Tariro Trust in assisting the underprivileged families who struggle to ensure the girl child has access to education and pursues her dreams by paying their school fees. The Group made a donation towards the payment of school fees for 30 Children; 20 Primary and Secondary School students and 10 Disadvantaged girls at tertiary institutions.

Makomborero Trust

CBZ Holdings has been supporting the Trust for more than eight (8) years by meeting the fuel costs required to transport students from their boarding facility to the various Trust schools around Harare. Makomborero Trust provides support to talented learners from disadvantaged families and communities to allow them to complete their education and attain excellent grades in their A-levels. The Trust also gives these learners the chance to fulfil their undeniable potential and gives them hope and a future by enrolling them to Trust schools in Harare. Makomborero Trust operates a boarding house in Bluff Hill, Harare. In 2020, the Trust accommodated 23 Advanced Level learners from disadvantaged communities who were enrolled at different schools in Harare. The Group continues to support these learners by donating towards the operational costs of the minibus it donated to Makomborero Trust.

CBZ branded minibus for Makomborero Trust.

HEALTH

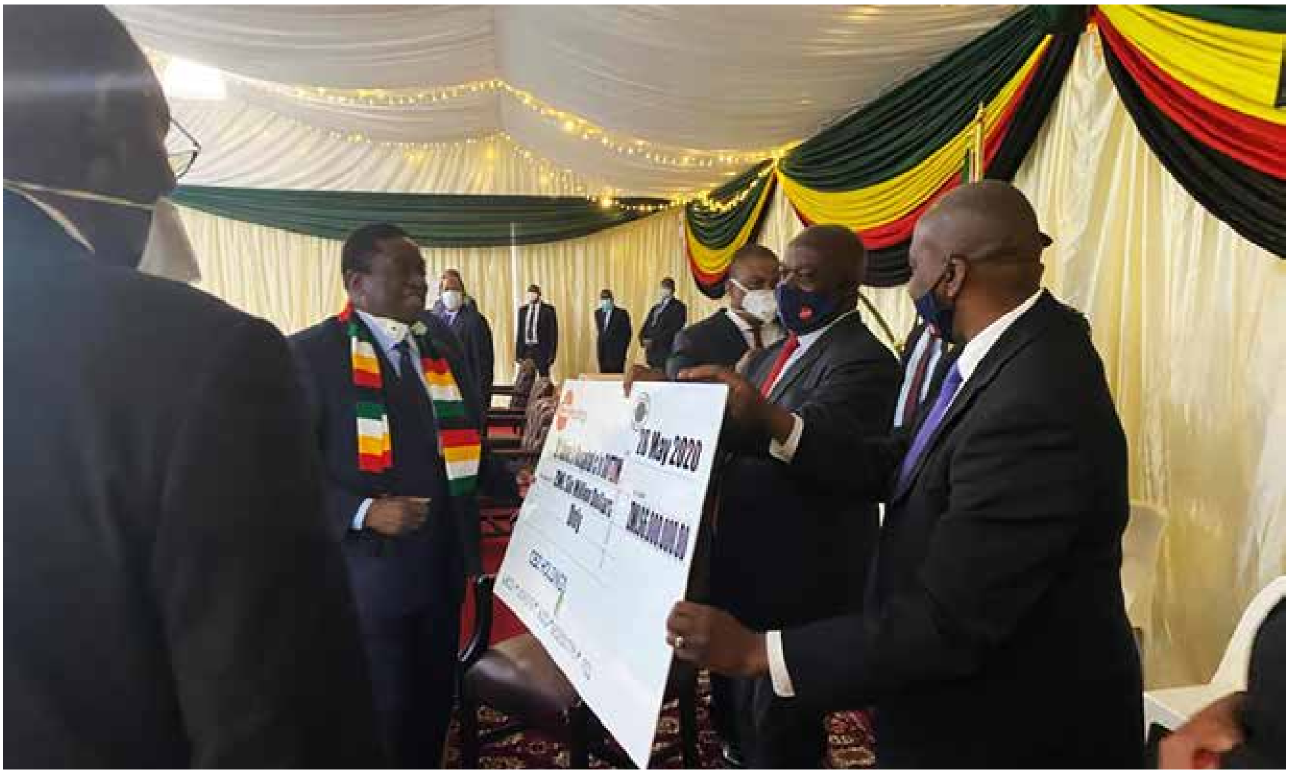
Ambulance Donated Towards COVID-19

The COVID-19 pandemic affected the world at large, inducing lockdown measures that negatively affected operations of corporates and the general welfare of global communities. There was a national call by Government through the Ministry of Health and Child Care for corporates to join hands and fight the COVID-19 pandemic.

CBZ Holdings donated an ambulance to Harare Metropolitan through the Ministry of Health and Child Care to assist in ferrying COVID-19 patients to designated quarantine centres around the Harare Metropolitan Province and conducting contact tracing.

Donation Towards the Capacitation of St Anne's Hospital

St Anne's Hospital was turned into a Covid-19 Response Centre (Sacrec) in an effort to complement Government's preparedness and response plan to dealing with the Covid-19 pandemic. Sacrec required to be equipped, for it to function effectively and had appealed for assistance from the corporate world. The Sacrec Fund Raising Team approached CBZ Holdings seeking donations towards the same cause and in response, the Group donated funding towards the capacitation of St Anne's Hospital as a Covid-19 Centre.



Hand over of cheque for capacitation of St Anne's Hospital by CBZ Group CFO, Tawanda Gumbo, and CBZ Bank MD, Peter Zimunya to His Excellency, President E.D. Mnangagwa.

Donations of PPE to Parirenyatwa Group of Hospitals, Wilkins Hospital, Sally Mugabe Hospital and Mpilo Hospital

The 'I am for Bulawayo Trust' received a donation of ZWL 1,000 000.00 to assist in their preparation of Covid-19 facilities and operational costs for patients care in Bulawayo. The donation assisted with hospital capacitation in the Southern Region as Covid-19 cases continued to rise. This donation helped in the preparedness of Bulawayo Covid-19 Centres which continued to have more cases recorded due to its proximity to Zimbabwean borders that are actively involved in cross border activities for sustenance.

Donation of sanitiser and Personal Protective Equipment (PPE) to Parirenyatwa Group of Hospitals, Wilkins Hospital, Sally Mugabe Hospital, Mpilo Hospital, University of Zimbabwe - Department Of Medical Microbiology and St Giles Rehabilitation Centre.

There was a call from all major hospitals for corporates to donate Personal Protective Equipment (PPE) for frontline workers and patients. The donated PPE would help combat Covid-19 infections thus safeguarding the health of patients and visitors under their care. This would also ensure that the staff members would carry out their duties without further infections. In this regard, the Group extended support to the country's major hospitals; Parirenyatwa, Wilkins, Sally Mugabe and Mpilo Hospital through the provision of bulk PPE and 5000 litres of hand sanitiser. CBZ Holdings also donated sanitiser and PPE - to be used during Covid-19 Laboratory diagnosis – to the University of Zimbabwe - Department Of Medical Microbiology). The donation assisted in ensuring safety and improved diagnostic capacity in the fight against the virus.

The Group also donated sanitiser and disinfecting solutions to St Giles Rehabilitation Centre, which is an essential service provider offering hospital admission facilities that include rehabilitation therapy. The centre requires large amounts of disinfectants and PPE to protect staff and patients against the Covid-19 virus. The donation was done to enable the Rehabilitation Centre to effectively discharge its duties.

CBZ Holdings distributed 200 litres of hand sanitiser to each of the following charitable organisations:

Chinyaradzo Children's Home; Harare Children's Home; Jairos Jiri Waterfalls; Emerald Hill Children's Home; Rose of Sharon; Tose Respite Children's Home and Autism Organisation of Zimbabwe.

PHILANTHROPY

Harare Fire Bridge Station Borehole Drilling and Installation

In line with our strategic thrust to partner reputable community-based organisations, the Group partnered with the City of Harare to provide water, a much needed resource, to the Harare Fire Bridge Station that has been facing challenges to access water whenever a fire crisis arose within the capital. CBZ drilled and installed a borehole at the Harare Fire Brigade to increase water capacity for the main station in Harare. Water taps were also installed to enable staff at the station to access clean water.

Victoria Falls Famine Appeal

The Victoria Falls Famine Appeal was consequent upon the closure of tourism activities due to Covid-19. Through their task force, The Group donated food items that were distributed to the communities to alleviate hunger. Funding was extended to the Victoria Falls Famine Appeal Trust that provided food packs to SMEs in the resort town that were struggling due to the adverse effects of the pandemic.

Entembeni Old People's Home

CBZ Holdings continued to give back to the communities that it operates in, even during the Covid-19 induced lockdown. CBZ Southern Regional Manager and staff visited Entembeni Old People's Home which is situated in Luveve, Bulawayo and donated groceries and blankets. The home has capacity to house 75 residents but at the time of the visit, it had a total of 51 people comprising 40 men and 11 women. Due to the economic meltdown, Government grants have since stopped and the main challenges faced by the home is a lack of adequate food, clothing and blankets. The institution also relies on donor funding for its operations but not much has been coming in due to the Covid-19 pandemic. With this in mind, the Group extended a hand by donating groceries and blankets.

Southern Regional Manager (right with white shirt) handing over groceries and blankets to Entembeni Old People's Home.

Wellness

One of our key focus areas is promoting sporting excellence in Zimbabwe. This stems from our firm belief in nurturing the abundant talent that exists across the country. This is being fulfilled by hosting the CBZ Marathon annually. The Marathon draws participants from the country's ten (10) provinces including international runners who participate in the Comrades' Marathon and Two Oceans Marathon. This is in line with our thrust to spread our initiatives in both rural and urban areas and across the region. The Group successfully hosted the CBZ 2020 Marathon in March 2020 in support of the Health Sporting Excellence awareness where more than 1700 athletes took part in the competition at Old Georgian's Sport Club, Harare.

Athletes during the race and post running massages were also offered on site through smart partnerships with Beauty Spas.

The 2020 Marathon offered the Group an opportunity to profile the refreshed CBZ brand as a responsible and responsive corporate citizen. The 2020 edition had runners in the 5km; 10km, 21.1km and 42.2km race. Jonathan Chinyoka, a seasoned athlete, won the 42.2km men's race after registering a time of 2hrs:18 minutes while Olivia Chitate won the female race in 2hrs:50 minutes. The 2020 CBZ Marathon increased brand visibility and promoted health and wellness before the induced Covid-19 pandemic lockdown.

CBZ GCEO, Dr. Blessing Mudavanhu (centre) hands over price to Olivia Chitate (right), women's 42.2km race winner

CBZ 2020 AWARDS

Zimbabwe Independent - Banks and Banking 2020 Awards

- Best Bank-Innovation Channels- (Digital products and digital distribution channels).

Marketers Association of Zimbabwe - Exceptional Marketing Awards (EMA) 2020

- Best CSR campaign for 2020 - in view of our Covid-19 response.

Contact Centre Association of Zimbabwe - Excellent Service Awards 2020

- 1st Runner Up - Best Contact Centre
- Best Contact Centre Manager

Chartered Institute of Customer Management

- Top 10 Award - National Customer Satisfaction Index

Zimbabwe Agricultural Show 2020 Awards:

- 1st Prize for Best Financial Institution stand exhibiting the best adaptation measures and innovations in response to the Covid-19 pandemic.

Marketers Association of Zimbabwe – Super Brands Awards 2020

- SuperBrand winner in the Banking Sector
- **4th Place - Business to Business Category**

Chartered Institute of Customer Relationship Management - Zimbabwe's Most Trusted Brand, 2020

- Banking Sector - Most Trusted Brand

Institute of Chartered Secretaries and Administrators of Zimbabwe Annual Corporate Governance awards.

- 1st prize , Best Board Practices (CBZ HOLDINGS LTD)
- 1st prize, Overall Best Corporate Governance Disclosures (CBZ HOLDINGS LTD)
- 1st prize, Best Banking Risk Management Practices (CBZ BANK LTD)
- 1st prize, Best Shareholder Treatment (CBZ HOLDINGS LIMITED)
- 2nd Prize, Overall best Banking Corporate Governance Disclosures (CBZ BANK LIMITED)
- 2nd prize, Best Banking Board Governance Practices (CBZ BANK LIMITED)
- Trophy for BEST GOVERNED COMPANY

The above awards were communicated to both internal and external stakeholders via the following platforms:

Internal circulars to staff; Website update; CBZ Social Media platforms that include Twitter, Facebook, Instagram and LinkedIn platforms and; On radio through the CBZ sponsored Financial Updates programme.

Carrier
6:14 PM
cbz

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

OUR APPROACH TO CORPORATE GOVERNANCE

The CBZ Holdings Limited governance framework supports the principles of integrity, strong ethical values and professionalism integral to the company's business. The Board recognizes that it is accountable to its Shareholders and is committed to high standards of governance that are recognized and understood throughout the Group. The Board is primarily accountable to shareholders, while also considering the interests of other stakeholders such as customers, employees, suppliers, regulators and the community. In an environment of increasing change and complexity of regulation, management aims to achieve a balance between the governance expectations of shareholders and other stakeholders, and the need to competitive financial returns.

STATEMENT OF COMPLIANCE

We aim to stay abreast of developments in good governance and practice, and have a well-developed structure that ensures the continued minimum compliance with the Zimbabwe Corporate Governance Code (ZIMCODE 2014), the Zimbabwe Stock Exchange Rules SI134/2019, the Reserve Bank of Zimbabwe Corporate governance guidelines No. 01-2004/BSD, The Banking Act (Chapter 24:20), the Banking Amendment Act of 2015, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016; Securities Act (Chapter 24:25); Securities Amendment Act No. 2 of 2013; Asset Management Act (Chapter 24:26); Companies and Other Business Entities Act (Chapter 24:31) and the South African King reports.

As a listed entity, CBZ has developed a Group Governance Code as per requirements. The Governance Code has been approved and adopted throughout the Group. The Board is pleased to report that the Company complied with all of the provisions of the Code throughout the year ended 31 December 2020.

OUR GOVERNANCE FRAMEWORK

Responsibility for good governance rests with the Board and this is underpinned by an effective governance framework which the Board believes fits the requirements of the business.

The Board retains certain matters for its own preserve; other specific responsibilities are delegated to its principal Committees, namely the Audit and Finance Committee, the Risk Management & Compliance Committee and the Human Resources & Corporate Governance Committee (this committee also sits as the Nomination Committee. Each of these Committees operates within defined terms of reference, which are available on the Company's website.

Board of Directors

Responsible for the overall management of the organisation of our business
- Sets standards, policies and strategic aims
- Ensures we have the resources in place to meet our objectives
- Monitors and reviews material strategic issues, financial performance and risk management

Audit Committee

- Reviews and monitors financial statements
- Oversees external audit
- Reviews internal audit plans

Human Resources & Corporate Governance Committee

- Sets, reviews and recommends overall remuneration policy and strategy
- Reviews and approves remuneration arrangements for executive directors and senior management
- Makes recommendations to the Board on its composition and that of its Committees

Group Chief Executive Officer

Risk Committee

- Provides strategic leadership, direction and oversight

Group Executive Committee

- Day to day management of our business and operations, responsible for monitoring detailed performance of all aspects of our business

REGULATION

CBZ Holdings Limited and its Subsidiary entities is subject to regulation by the following regulatory authorities:-

Reserve Bank of Zimbabwe
Zimbabwe Stock Exchange
CBZ Holdings Limited

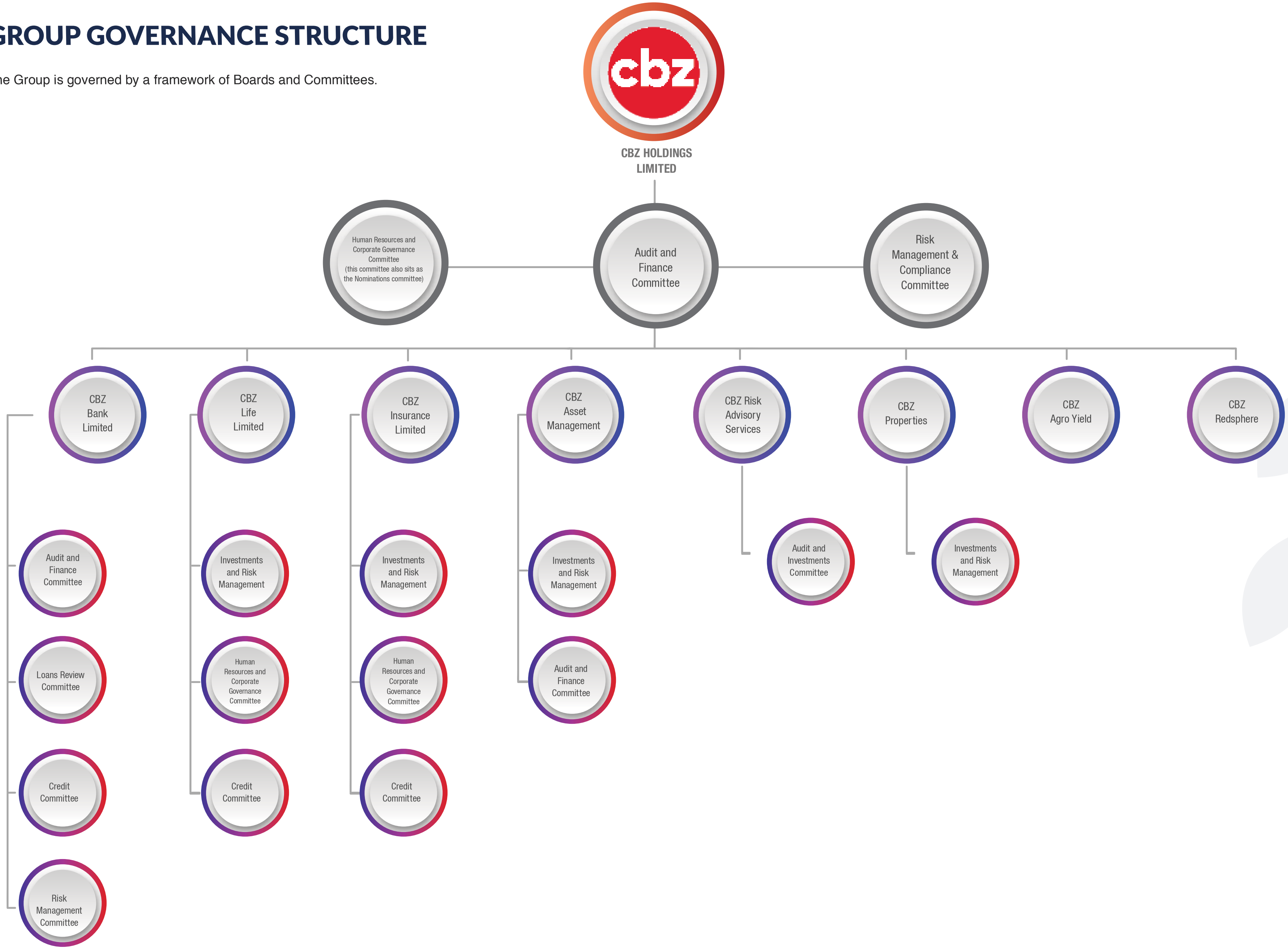
Insurance and Pensions Commission
CBZ Insurance (Private)Limited
CBZ Life (Private) Limited
CBZ Risk Advisory (Private) Limited

CBZ Bank Limited
Reserve Bank of Zimbabwe

CBZ Asset Management (Private) Limited
Securities and Exchange Commission

GROUP GOVERNANCE STRUCTURE

The Group is governed by a framework of Boards and Committees.



THE BOARD OF DIRECTORS

This is the main decision making body, setting the strategic direction of the Group and ensuring that the Group manages risk effectively. The Board is involved in setting measurable objectives to promote a healthy corporate culture that is aligned with strategy and our strong commitment to our stakeholders. In addition, the board is responsible for the overall stewardship of the Group and in particular for its long term growth and profitability through implementation of agreed financial objectives.

The Board comprises of 7 directors being; 5 Non-Executive Directors and two executive directors.

Role of the Chairman
The role of the Chairman is distinct and separate from that of the Group Chief Executive Officer and there is a clear division of responsibilities with the Chairman leading the Board and the Group Chief Executive Officer managing the Group's business on a day to day basis. The Chairman's key responsibilities are, but not limited to: -

- Provide strong and effective leadership to the Board.
- Ensure the Board is structured effectively and observes the highest standards of integrity and corporate governance.
- Build an effective and complimentary Board with an appropriate balance of skills and personalities
- Facilitate the effective contribution and encourage active engagement by all members of the board.
- In conjunction with the Group Chief Executive Officer and the Group Legal Corporate Secretary, ensure that Members of the board receive accurate, timely and clear information to enable the board to lead the company, make sound decisions and to effectively monitor the performance of executive management
- Manage the business of the Board and set the agenda, style and tone of Board discussions to provide effective decision making and constructive debate
- Ensure that the performance of individual directors and of the Board as a whole and its committees is evaluated annually
- Ensure the Group maintains effective communication with shareholders and other stakeholders

Role of the Group Chief Executive Officer
The Group Chief Executive Officer has responsibility for the Company's business and acts in accordance with the authority delegated by the Board. The Group Chief Executive Officer's key responsibilities are, but not limited to:

- Develop, drive and deliver the strategy and vision of the Group.
- Drive and deliver performance of the company against set performance and sustainability targets and reporting appropriately to the Board about such performance;
- Establish an organisational structure and operating model for the Group and to ensure effective execution of the strategy, sustainability, governance and control imperatives. Ensuring that appropriate Group policies are formulated and implemented;
- Ensure the Group has effective frameworks and structures to identify, assess and mitigate risks;
- Act as champion of the culture and values of the Group, creating an environment were employees are engaged;
- Lead, manage and develop the Group's senior leadership team and management structures that ensure effective succession planning and professional development;
- In conjunction with the Chairman and Group Legal Corporate Secretary ensure that the Board receives accurate, timely and clear information.
- Monitor and report to the Board on the effectiveness of legal compliance controls, processes, systems and resource capacity;
- Manage the affairs of the Group and its subsidiaries in line with the agreed mandate from the Board of Directors;

Role of the Board of Directors
The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. The Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The roles of the Non-Executive Chairman and the Chief Executive Officer are formalised, separate and clearly defined. This division of responsibilities at the helm of the company ensures a balance of authority and power, with no one individual having unrestricted decision-making powers. The non-executive directors have extensive business experience and specialist skills across a range of sectors, including accounting, finance, law, risk management, retailing and human resources. This enables them to provide balanced and independent advice and judgement in the decision-making process. The board meets at least four times a year. Additional meetings can be convened to consider specific business issues which may arise between scheduled meetings.

Size and Composition of the Board
We believe that our Board requires an appropriate mix of directors to maintain its independence, and separate its functions of governance and management. The Company's Board size is determined by:-

- Provisions in terms of the its Memorandum and Articles of Association
- Provisions in the Zimbabwe Corporate Governance Code (2014)
- Provisions in the Banking Amendment Act (2015)
- Provisions in terms of the RBZ Corporate Governance Guideline No. 01/2004/BSD
- Provisions in terms of the Banking Act [Chapter 24:20]
- Provisions in terms of the Companies and other Business Entities Act [Chapter 24:31]
- International best practice guided by King Reports and Codes of Governance

Board Charter
The scope of authority, responsibility, composition and functioning of the Board is contained in a formal Charter which is annually reviewed. The directors retain overall responsibility and accountability for:

- Ensuring the sustainability of the business;
- Approving strategic plans;
- Monitoring operational performance and management;
- Ensuring effective risk management and internal controls;
- Monitoring legislative, regulatory and governance compliance;
- Approval of significant accounting policies and annual financial statements;
- Selection, orientation and evaluation of directors;
- Ensuring appropriate remuneration policies and practices;
- Monitoring transformation and empowerment; and
- Promoting balanced and transparent reporting to shareholders

Availability of information to Board members

The Board has unrestricted access to all Company-related information, including that of employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Regular updates provided to the Board include: -

- Annual strategic and operating plans and budgets, capital budgets and updates;
- Quarterly results of operating Subsidiary Units;
- Dividend information
- Information on recruitment and remuneration of Executive Management;

- Materially important litigations, show cause, demand, prosecution and penalty notices;
- Any materially relevant defaults in financial obligations;
- Any issue that involves possible public or product liability claims of a substantial nature;
- Details of joint ventures, mergers and acquisitions of companies, or collaboration agreements;
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property (IP);
- Any significant development involving human resource management;
- Sale of a material nature, or of investments, subsidiaries and assets, which are not part of the normal course of business;
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services, such as non-payment of dividend and delays in share transfer;

Director Training and Professional Development

Board training and developmental initiatives remain focused on enabling Directors to have access to learning, development and training opportunities which enable them to be suitably knowledgeable and skilled to carry out their role within the Company. In line with strategic imperatives, the Group acknowledges that a training programme achieves the following objectives: -

- To ensure that Directors are supported and enabled to meet the changing demands of the Company and its operating environment so that the Company achieves its strategic objectives;
- To facilitate professional and personal development through assisting Directors to broaden, deepen and thereby further enhance their existing skill base; and
- To provide an enabling environment where continuous learning and development takes place.

The Covid -19 pandemic, had a substantial impact on the Director training and Development Calendar as most training had been earmarked to be physical. However, we switched to virtual training and the Directors were trained by Zimbabwe Stock Exchange personnel on the listing requirements and Directors responsibility.

Board Evaluation

An effective Board is the key driver of business growth and success; this is complemented where an organisation has a structured program for Board self-evaluation. The Board provides the overall leadership and vision for the company, setting its direction and major policies, appointing and supervising Executive Management, ensuring it complies with relevant laws and regulations as well as being accountable to the shareholders and stakeholders at large. The Board is ultimately responsible for the performance of the company; hence it is important for the Board's performance to be regularly evaluated against agreed set criteria. In accordance with the Banking Act as read with the RBZ Corporate Governance Guidelines, the Board is to undertake an annual performance evaluation. The Board therefore undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and each director. The Board, uses a detailed questionnaire, completed by each director, as the basis of these evaluations. This evaluation is aimed at determining how the board's effectiveness can be improved. A final Board Evaluation Report compiled by external consultants is submitted to the Reserve Bank of Zimbabwe by 31 March of the following year. The Board Evaluation conducted in year 2020 covered the following assessments which were:

- Board self-evaluation
- Chairperson's assessment
- Individual Director Assessment
- Committee Assessments

The Board and Committees were evaluated as Strong.

Board Meetings

The impact of the Covid-19 pandemic was felt right across the Group, as it has across the world, and this necessitated a new approach to the way the Board conducted its meetings. Travel plans for most Board Members were put on hold for the time being, but meetings and the Company's Annual General Meeting continued unabated through virtual channels.

In 2020, a minimum of four formal Board meetings were scheduled and individual attendance by directors at these meetings is presented in the report. The Board meets quarterly. Board meetings are scheduled well in advance according to a board calendar which is set and approved in advance. Additional board meetings, apart from those planned, are convened as circumstances dictate. The Board agenda and meeting structure focuses on strategy, risk management, performance monitoring, governance and related matters. This ensures that the board's time and energy are appropriately applied. Directors may propose additional matters for discussion at board meetings. In advance of each meeting, the directors are supplied with comprehensive board reports.

Although virtual. Board meetings were conducted in a manner that promoted open communication, active participation and timely resolution of issues. Sufficient time was provided during Board meetings for thoughtful discussions.

Our Board meetings are facilitated, but not overly influenced by the Chairperson. Other executives such as the Group Chief Risk Officer, Chief Compliance Officer, the Group Chief Human Resources Officer attend Board committee meetings by invitation. This provides the Board with an opportunity to engage directly with management on key issues and it also supports the Board succession planning activity.

Retirement and Appointment of New Directors

During the course of the year the Company experienced the following Board Changes:

Board Appointments during 2020

NAME	STATUS	BOARD	DATE OF APPOINTMENT
Dr Christian H. Beddies	Independent Non Executive Director	CBZ Bank Limited	17 January 2020
Jiten G. Shah	Independent Non Executive Director	CBZ Bank Limited	11 February 2020
Tawanda L. Gumbo	Executive Director	CBZ Holdings Limited	3 February 2020
Heena G. Joshi	Independent Non Executive Director	CBZ Asset Management	9 March 2020
Jamille Jinnah	Independent Non Executive Director	Red Sphere Finance	2 June 2020
Wayne D. Parham	Independent Non Executive Director	CBZ Agro Yield	1 July 2020
Robert J. Snow	Independent Non Executive Director	CBZ Properties	1 August 2020
Percival S. Mazike	Independent Non Executive Director	CBZ Agro Yield	1 November 2020
Jack F Smith	Non Independent Non Executive Director	CBZ Properties	1 January 2020
Jack F Smith	Non Independent Non Executive Director	CBZ Asset Management	1 January 2020
Desmond Ali	Executive Director	Red Sphere Finance	1 January 2020

Retirements during 2020

NAME	STATUS	BOARD	DATE OF RETIREMENT
Richard Dawes	Independent Non Executive Director	CBZ Life Limited	5 June 2020
Dr Virginia Masunda	Independent Non Executive Director	CBZ Life Limited	5 June 2020
Farai B. Zizhou	Independent Non Executive Director	CBZ Life Limited	5 June 2020
Collin Chimutsa	Executive Director	CBZ Holdings Limited	10 January 2020
Nobert Mureriwa	Executive Director	CBZ Insurance operations	10 January 2020

The recruitment of new Directors is currently ongoing and the appointment of new directors is based on pre-established criteria having regard to the existing skills mix on the Board as a whole and having assessed areas where additional skill, expertise or experience is required. These appointments to the Board are made with due cognizance of the need to ensure that the board comprises of a diverse range of skills, knowledge and expertise and has the requisite independence, including, the professional and industry knowledge necessary to meet the Group's strategic objectives.

All appointments follow a transparent procedure and are subject to confirmation by shareholders at the Annual General Meeting. Before appointment, potential board appointees must undergo a fitness and Probity assessment in line with the Reserve Bank of Zimbabwe (RBZ) Prudential Guidelines and the Banking Act.

For Directors recruited for our Insurance Operations i.e. CBZ Insurance, CBZ Life and CBZ Risk Advisory Services, their appointments including probity tests are in line with the IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016.

BOARD COMMITTEES

The Board committees continued to play a crucial role in the company's governance framework, undertaking their work comprehensively and effectively supporting the work of the board. The Board has established and delegated specific roles and responsibilities to three standing committees, to assist it in discharging its duties and these are :- Audit and Finance Committee; Risk Management & Compliance Committee and Human Resources & Corporate Governance Committee (also sits as Nominations Committee).

The committees meet quarterly in accordance with their terms of reference and members of the executive committee and management attend meetings of the various committees by invitation.

The Boards of Directors of the various units as at 31 December 2020 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Life Limited	CBZ Insurance	CBZ Risk Advisory	CBZ Properties	Red Sphere Finance	CBZ Agro Yield	CBZ Digital
Holtzman M L	Holtzman M L	Mhlanga N	Tshuma H	Matika ATK	Magorimbo L	R Snow	Jinnah J	Parham W D	Bhamre P
Mashingaidze E.U	Shangwa ET	Moyo MTV	Zizhou FB*	Chitiga WR	Ndlovu N	C Makwiranzou	Dr Mudavanhu B	Mazike P S	Dr Mudavanhu B
Galante E E	Dr Marufu MPA	Joshi H G	Dawes R*	Dr Mudavanhu B	Marandu N	M. Sinyoro	Gumbo TL	Archibald A D	Gumbo T L
Gerken L C	Dr Beddies CH	Mukanganga C	Dr Masunda V*	Gumbo T L	Dr Mudavanhu B	Dr B Mudavanhu	Ali D**	Dr Mudavanhu B	
Gaskin Gain, R L	Shah JG	Gumbo T L	Dr Mudavanhu B	Mureriwa N*	Gumbo TL	T L Gumbo		Gumbo TL	
Dr Mudavanhu B**	Dr Mudavanhu B	Smith J F**	Gumbo T L	Mharadze J***	Mureriwa N*	J F Smith		Chigodora W**	
Gumbo T L**	Gumbo T L	Muzadzi T**	Mureriwa N*		Chinyani T***	H Bvumburai**			
	Zimunya P**	Dr Mudavanhu B	Mutizwa J ***						
	Nyazema L **								

Key
* Retired
** Executive Director
*** Ex-Officio member

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

	Audit & Finance	Special Audit & Finance	HR & Corporate Governance	RISK MANAGEMENT & COMPLIAMCE	Special HR & Corporate Governance	Main Board	Total Committees	Total Boards
Meetings Held	4	1	4	4	4	4	17	4
Holtzman M.L	**	**	4	**	**	4	4	4
Gerken L C	3	1	**	3	**	4	7	3
Gaskin Gain R L	**	**	4	4	**	4	8	4
Mashingaidze E U	4	1	4	**	4	4	13	4
Galante E E	4	1	**	**	**	4	5	4
Dr Mudavanhu B *	4	1	4	4	**	4	13	4
Gumbo T L*	4	1	**	4	**	4	9	4

Key
* Executive Director
**Not a member
***Retired

CBZ BANK LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	AUDIT & FINANCE	RISK MANAGEMENT & COMPLIANCE	CREDIT	SPECIAL CREDIT	LOANS REVIEW	SPECIAL HR & NOMINATION	SPECIAL MAIN BOARD	MAIN BOARD	TOTAL COMMITTEES	TOTAL MAIN BOARD
Meetings Held	*4*	*4*	*4*	*3*	*4*	*1*	*1*	*4*	*20*	*5*
Holtzman M L	3****	**	–	1	3****	–	–	4	7	4
Marufu M P A	*	**	4	3	**	–	1	4	7	5
Shangwa E T	4	4	4	–	**	1	1	4	13	5
Beddies C H	4	4	–	1	**	–	1	4	9	5
Shah J G	4	**	**	**	4	–	–	4	8	4
Dr Mudavanhu B	4	**	4	3	**	–	1	4	11	5
Gumbo T L	4	4	1****	1	4	–	–	4	14	4
Zimunya P*	4	4	4	3	4	–	1	4	19	5
Nyazema L*	4	4	4	3	4	–	1	4	1 9	5

Key
*Executive Director
**Not a member
- Did not attend
****Attend by invitation

CBZ ASSET MANAGEMENT (PRIVATE) LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	AUDIT & COMPLIANCE	INVESTMENTS & RISK	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Number of meetings held	*4*	*4*	*4*	*8*	*4*
Mhlanga N	**	4	4	4	*4*
Moyo M T V	4	**	4	4	*4*
Mukanganga C F	4	4	4	8	*4*
Heena J J	3	3	3	6	*3*
Dr B Mudavanhu	4	4	4	8	*4*
Gumbo T L	4	4	4	8	*4*
Smith J F	4	4	4	8	4
Muzadzi T*	4	4	4	8	*4*

Key
*Executive Director
**Not a member

CBZ LIFE LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	INVESTMENTS & RISK	HR & REMUNERATION	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings held	*4*	*4*	*4*	*4*	*12*	*4*
Dawes R	**	2	**	2	2	2
Zizhou F B	2	**	2	2	2	2
Dr Masunda V	**	2	2	2	2	2
Tshuma H	4	2	4	4	12	4
Dr Mudavanhu B	2**	4	2**	4	8	4
Gumbo T L	4	2**	4	4	10	4

Key
** Not a member
- Did not attend
***Retired on 5 June 2020

CBZ INSURANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	HR & REMUNERATION	INVESTMENTS & RISK	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	*4*	*4*	*4*	*4*	*12*	*4*
Matika A K T	4	4	**	4	8	4
Chitiga W	**	4	4	4	8	4
Dr Mudavanhu B	4	**	–	1	4	1
Gumbo T L	4	4	4	4	12	4

Key
**not a member
-did not attend

CBZ RISK ADVISORY SERVICES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	*4*	*4*
Magorimbo L	4	4
Ndlovu N	4	4
Marandu N	4	4
Dr B Mudavanhu	4	4
Gumbo T L	4	4

Key
*not a member
-did not attend

RED SPHERE FINANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	*1*	*1*
Jinnah J	1	1
Dr B Mudavanhu	1	1
Gumbo T L	1	1
Ali D	1	1

Key
*not a member
-did not attend

CBZ PROPERTIES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings held	*4*	*4*
Snow R	2	2
Makwiranzou C	4	4
Sinyoro M	3	3
Dr Mudavanhu B	*	*
Gumbo T L	4	4
Smith J F	4	4
Bvumburai H*	4	4

Key
*not a member
-did not attend

CBZ AGRO YIELD BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	*1*	*1*
Parham W D	1	1
Mazike P S	1	1
Dr Mudavanhu B	1	1
Gumbo T L	1	1
Chigodora W	1	1

Key
*not a member
-did not attend

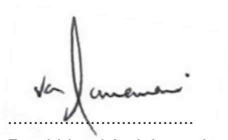
GROUP
LEGAL CORPORATE SECRETARY

All directors have access to the advice and professional services of a qualified and experienced Group Legal Corporate Secretary who is responsible for ensuring that board procedures and applicable rules and regulations are fully observed. The Group Legal Corporate Secretary provides guidance to the board as a whole and to individual directors with regard to how their responsibilities should be discharged in the best interests of the Company. The Group Legal Corporate Secretary acts as a trusted advisor in the effective functioning of the board, ensuring appropriate alignment and information flows between the Board and its committees, including the executive committee.

She is also responsible for ensuring that the Board receives accurate, timely and clear information, facilitates good information flows between Board members; leading on the implementation of the recommendations from the annual Board evaluation.

Statement of Compliance
Based on the information set out in this corporate governance statement, the Board believes that throughout the accounting period under review, the Group complied with the requisite regulatory requirements.

By order of the Board



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Rumbidzayi A. Jakanani
Group Legal Corporate Secretary

18 MAY 2021

REPORT OF THE DIRECTORS

We have the pleasure in presenting our report and the audited financial statements for the year ended 31 December 2020.

SHARE CAPITAL

The authorized and issued share capital of the Group is as follows:
Authorised: 1 000 000 000 ordinary shares

Issued and fully paid 522 016 108 ordinary shares

INCORPORATION, ACTIVITES AND RESULTS

The Group offers commercial banking, mortgage finance, asset management, short and long term insurance and other financial services and is incorporated in Zimbabwe.

Summarised below is breakdown of the application of profit after tax attributable to equity holders of the parent:-

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Dividend Payout	534 595	122 431	475 976	12 080
Retained for future growth	4 539 171	1 281 437	5 669 949	912 816
	5 073 766	**1 403 868**	**6 145 925**	**924 896**

Directorate as at 31 December 2020

Marc Holtzman (Chairperson)	Independent Non Executive Director
Louis Charles Gerken	Independent Non Executive Director
Mr Edward Ushemazoro Mashingaidze	Independent Non Executive Director
Ms Rebecca Loiuse Gaskin Gain	Independent Non Executive Director
Mr Edward Elio Galante	Independent Non Executive Director
Dr Blessing Mudavanhu*	Group Chief Executive Officer
Mr Tawanda Lloyd Gumbo*	Group Chief Finance Officer

*Executive

Rumbidzayi Angeline Jakanani	Group Legal Corporate Secretary

DIVIDEND ANNOUNCEMENT

The Board has decided to declare final dividend of ZWL$1 500 000 000 for the year ended 31 December 2020.

By Order of the Board

....
RUMBIDZAYI A. JAKANANI
GROUP LEGAL CORPORATE SECRETARY

18 MAY 2021

DIRECTORS' PROFILES

Marc L Holtzman | 60

Dr. Blessing Mudavanhu | 49

Rebecca L Gaskin Gain | 55

Edward U Mashingaidze | 66

Louis C. Gerken | 69

Tawanda L. Gumbo | 51

Edward E Galante | 63

Rumbidzayi A Jakanani | 43

Marc L Holtzman

Capacity

Chairman

Age: 60

Qualifications

- Bachelor of Arts Degree in Economics from Lehigh University.

Profile

Mr Holtzman is the current Chairman of the Board of Directors of the Bank of Kigali, the largest financial institution in Rwanda. He has served as a member of the Board of Directors since 2009.

Previously, Mr. Holtzman was Chairman of Meridian Capital HK, a private equity firm with investments in natural resources, real estate, food, agriculture and transportation. Prior to joining Meridian, Mr. Holtzman served as Vice Chairman of Barclays Capital and as Vice Chairman of ABN Amro Bank. Previously, as co-founder and President of MeesPierson EurAmerica (a firm which was acquired by ABN Amro) and as a Senior Advisor to Salomon Brothers.

Mr. Holtzman also currently serves as a member of the Board of Directors of TeleTech, the world's leading provider of analytics-driven technology-enabled services and FAT Brands (NASDAQ:FAT), a global franchisor of leading restaurant brands.

From 2012 to 2015, Mr. Holtzman served on the Board of Directors of FTI Consulting, Inc. a global financial and strategic consulting firm, and Sistema, Russia's largest private company listed on the London Stock Exchange. In addition, Mr. Holtzman served as a member of the Board of Trustees of the United States Space Foundation from 2004 to 2010. From 2003 through 2005, Mr. Holtzman was President of the University of Denver where he was responsible for the development of the Rocky Mountain Center for Homeland Security.

Previously, Mr. Holtzman served in the Cabinet of Governor Bill Owens as Colorado's first Secretary of Technology. In addition, Mr. Holtzman was Chairman of Colorado's Information Management Commission and Co-Chairman of the Governor's Commission on Science and Technology. He helped guide Colorado's economic transformation into a fully diversified technology hub.

Mr. Holtzman is passionate about his work with the Point Foundation a UK based charity and is a long-time supporter and former Trustee of the Colorado Animal Rescue Shelter.

Dr Blessing Mudavanhu

Capacity

Board Director. (Executive Director)

Age:49

Qualifications

- Ph.D. Mathematics, University of Washington, USA M.S.
- Financial Engineering, University of California at Berkeley, USA
- M.S. Applied Mathematics, University of Washington, USA B.S.
- Masters in Financial Engineering – University of California at Berkeley (USA)
- Honours Degree in Mathematics, University of Zimbabwe

Profile

Dr Mudavanhu has over 15 years experience in the regional and international financial services markets and he brings with him a wealth of knowledge and experience in risk management.

Dr Mudavanhu upon completion of his studies, he joined American International Group (AIG) in New York as a Senior Risk Analytics Associate. Following his time at AIG, Dr Mudavanhu joined Bank of America Merrill Lynch as Director in Global Risk Management encompassing New York City, London, Mexico City and Sao Paulo. In 2009 he joined African Banking Corporation (BancABC) as Group Chief Risk Officer and served as Acting Group Chief Executive Officer for 2 years. BancABC had operations in Botswana, Mozambique, Tanzania, Zambia, Zimbabwe and a minority interest in a large Nigerian Bank. Dr Mudavanhu left in January 2017 to set up Dura Capital LLC in Johannesburg.

Rebecca L Gaskin Gain

Capacity

Board Director. (Independent Non Executive Director)

Age:55

Qualifications

- Bachelor of Arts (History), Honors Program, from the Wake Forest University
- Juris Doctor Degree from the Emory University School of Law
- She completed the third year curriculum for her Juris Doctor Degree at the Columbia University School of Law
- Foundations in Finance program at the Insead-Amsterdam Institute of Finance
- Complemented her professional experience with the Islamic Finance curriculum of the Insaniah University of Malaysia,
- intensive Arab Language program at the Yemen College of Middle Eastern Studies.

Profile

Rebecca has more than 30 years' experience in the emerging markets and 25 years of experience in Africa. She is a lawyer by profession and was admitted to the New York State Bar Association in 1990. Following completion of her clerkship at the Appellate Division for the Supreme Court of New York in 1993, she focussed on foreign direct investment, initially in Central and Eastern Europe, and subsequently in Africa.

Rebecca has worked for and advised governments, multilateral agencies, bilateral agencies as well as large listed corporates and private investors. She has performed both executive and advisory roles. In 2000, she was the first female appointed by the Standard Bank Group to serve as Chief Executive Officer for a Group subsidiary, Standard Bank Congo, a position that she served for three years. In 2003, she was the first female appointed to the Group's Africa Executive Committee. In the domain of foreign direct investment, Rebecca understands the range of complex issues involved with negotiating and implementing investment conventions with governments, and related project finance agreements with developers, investors and financial institutions.

Most recently, Rebecca provided business development support to Nexant Inc's energy advisory and government service operations. She was the Lead Transaction Advisor in Djibouti from 2015 to 2018, with the responsibility to originate and drive priority projects in energy and related pipeline infrastructure projects under the United States initiative Power Africa. She also served as the Senior Energy Advisor to Power Africa for Somalia and led the due diligence of the Electricity Supply Industry in Somalia and Somaliland in 2017.

In 1989 she completed the third year curriculum for her Juris Doctor Degree at the Columbia University School of Law, where she also served as Research Assistant to Rifkind Professor of Finance and Law, Louis Lowenstein, for Sense and Nonsense in Corporate Finance (1990).

Edward U Mashingaidze

Capacity

Board Director. (Independent Non Executive Director)

Age:66

Qualifications

- Student: Doctor of Business Administration (DBA) with the University of Liverpool, UK.
- Master of Research and a Master of Business Administration (MBA)-International Business from University of Liverpool
- Bachelor of Commerce (Economics) from the University of South Africa.

Profile

Edward U. Mashingaidze has been instrumental in the start-up, growth and expansion of EnergyDAS Private Limited. He manages and provides leadership for EnergyDAS's large-scale high-tech projects that involve multiple stakeholders and organisations. He coordinates specialist engineering teams working on advanced technical implementation throughout Africa. He has over 20 years extensive experience in the processing Industry having worked for TA Holdings Limited from 1986 to 1996 as Managing Director of United Refineries Private Limited. Edward also spent 15 years as Managing Director of a distributor of Komatsu earth moving equipment in the mining and construction industry.

Louis C. Gerken

Capacity

Board Director. (Independent Non Executive Director)

Age:69

Qualifications

MBA from the Southern Methodist University Graduate School of Business,

- Master's Degree in International Business from the American Graduate School
- Bachelor's Degree in Economics from the University of Redlands.

Profile

Lou founded San Francisco Bay Area-Based Gerken Capital Associates ("GCA") in 1989. GCA is an alternative asset fund management firm, with particular focus on emerging markets private equity/venture capital. Prior to forming GCA, Lou was the Managing Director and Group Head of Prudential Securities Technology Investment Banking Division.

Earlier, Lou was a General Partner to Prudential Securities' four venture capital SEC-registered funds with $336 million under management ("Prutech"). As one of the largest U.S. Venture Capital Funds, Prutech was responsible for completing fifty IT and bio-tech sector early and expansion stage investments, and was one of the first venture capital funds to pioneer corporate partnering as a co-investment strategy.

Prior to Prudential, Lou was associated with Montgomery Securities' Venture Capital Funds, and Wells Fargo Capital Markets where he developed one of the first U.S. fund of funds. Earlier, Mr. Gerken was Founder of TCG International, a telecommunications consulting engineering practice responsible for the deployment of international Fortune 500 telecom/datacom projects. Prior to TCG, Lou was a Senior Research Analyst and Portfolio Manager with GT Capital Management, a London-based emerging markets investment management firm. Lou started his career with the Bank of California Trust Department as an Investment Officer and Research Analysts responsible for the technology and financial sectors, as well as all privately-held holdings.

As a recognised authority in finance and economics, alternative investments, and the emerging markets, Lou has been a frequent keynote speaker at major industry conferences. Mr. Gerken is the author of The Little Book of Venture Capital Investing: Empowering Economic Growth and Investment Portfolios published by John Wiley & Sons, Inc. He is also author to Privatization: The Road to Reinvigorating Economies to be published by Morgan James Publishing.

Tawanda L. Gumbo

Capacity

Board Director. (Executive Director)

Age:51

Qualifications

- Bachelor of Accounting Science - (BCompt) University of South Africa
- Chartered Accountant (South Africa) - Institute of Chartered Accountants South Africa
- Chartered Accountant (Zimbabwe) - Institute of Chartered Accountants Zimbabwe

Profile

Tawanda is a Chartered Accountant (South Africa & Zimbabwe) with 30 years of professional experience, 20 of them as a Deloitte partner in various African practices. He is a co-founder and chief adviser to private equity businesses and recently served as an Audit Executive Partner in Deloitte Southern Africa where he was responsible for business development across Africa.

He is the outgoing CEO for the Deloitte West Africa cluster, a role which he held for over five years based in Nigeria. He has served as a member of the Deloitte Africa Exco, and as a Board member of the Deloitte Southern Africa cluster. Tawanda also served as the CEO of Deloitte Central Africa cluster for 8 years prior to joining Deloitte in West Africa.

Tawanda is a past President of the Institute of Chartered Accountants of Zimbabwe and has served as the deputy chairperson and member of the Zimbabwe Stock Exchange monitoring panel. He has also served on the council for the Pan African Federation of Accountants (PAFA) and as an Exco member of the predecessor accounting body ECSAFA covering 29 Anglophone African countries.

Tawanda brings depth and rigor to the CBZ Holdings Executive Team through his experience of executing many mandates across the continent.

Edward E Galante

Capacity

Board Director. (Independent Non Executive Director)

Age: 63

Qualification

- B.A. College of Notre Dame (History / Philosophy)

Profile

Edward is the co-founder and Executive Director of Mangwana Capital (Pvt) Ltd, an investment advisory firm, licensed with the Securities Exchange Commission of Zimbabwe which is focused on advisory and corporate finance services. He is also a co-founder and co- manager of Mangwana Opportunities (Pvt) Ltd., a private equity company which is focused on making investments in Zimbabwe in agriculture, mining and import substitution businesses.

Ted is the founder of Houses For Africa (Zimbabwe) (Private) Limited, Mortgage Management Services (Private) Limited and Zimbabwe Mortgage Company (Private) Limited. Through his leadership, his companies completed over 5 000 units of high and medium density housing in Zimbabwe. In addition, he developed over 2 400 residential medium density stands in Zimbabwe. He has also been active in the development of commercial real estate in Zimbabwe. Edward has been instrumental in structuring and raising institutional funding; he designed and sold the first mortgage backed securities issue in Zimbabwe.

From 2009 to 2012 Edward was an Executive Director of Chartwell Capital Group Pty. Ltd. in Johannesburg, a boutique merchant bank regulated by the South African Reserve Bank. Together with the Chartwell executive, he built the housing finance business of Chartwell Capital which eventually re-focused its business and became Chartwell Housing Finance Solutions Pty. Ltd.

Before emigrating to Zimbabwe in 1992, Edward was the Founder and CEO of Edward E Galante Investments Inc. a wholly owned real estate and development company. He worked for E.F. Hutton and Company where he held various positions in institutional sales, corporate finance and syndicate, and prior to that for Tuttle and Noroian Investment Managers.

Edward is the Chapter Champion and founding Chairman of the Young President's Organization (YPO) chapter in Harare, and the immediate past YPO Africa Gold Regional Chairman. During his two-year term as YPO Gold Regional Chairman, his region won the "Best of the Best" region globally from YPO International.

Rumbidzayi A Jakanani

Capacity

Group Legal Corporate Secretary

Age: 43

Qualification

- Bachelor of L aw (Hons) – University of Zimbabwe
- Master of Law in International Economic Law (University of Warwick UK)
- Master of Business Adminstration Degree in Strategic Management from National University in Science and Technology

Profile

Rumbidzayi is a lawyer by profession and an experienced governance officer. She undertook her legal training, concentrating on civil, criminal & corporate law with Stumbles and Rowe Legal Practitioners. She joined CBZ in 2005 and worked in her capacity as Manager Corporate Governance and Compliance. Leading to her appointment as Legal Corporate Secretary (2009) for CBZ Bank Limited then elevated to her appointment as Group Legal Corporate Secretary in 2012.

With her 15 years of diversified and uninterrupted experience providing expert in house counsel, corporate governance and company secretarial duties, she has facilitated corporate processes, securing favourable company terms and acquisitions.

Rumbidzayi offers strong governance and leadership skills and provides guidance to the board as a whole and to individual directors with regard to how their responsibilities should be discharged in the best interests of the Company.

FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The management report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Directors face.

The Group consolidated inflation adjusted financial statements are required by Law and International Financial Reporting Standards (IFRS) to present fairly the financial position of the Group and its performance for that period. In preparation of the Group financial statements, the Directors are required to:

- state whether they have been prepared in accordance with IFRS; and
- prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent;

Compliance with Local Legislation
The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) and the Companies and Other Business Entities Act (Chapter 24:31) and have been prepared in the manner required by Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07); the Building Societies Act (Chapter 24:02), securities Act (Chapter 24:25) and Asset Management Act (Chapter 24:06). Further, these Consolidated Inflation adjusted financial statements have been prepared to comply with the Statutory Instrument 33 of 2019, which specified, among other things, that for accounting and other purposes, all assets and liabilities that were immediately before the effective date valued in United States Dollars (other than assets and liabilities referred to in section 44C (2) of the Reserve Bank of Zimbabwe Act), shall on and after the effective date, (22 February 2019) be deemed to be valued in RTGS dollars at a rate of one-to-one to the United States Dollar.

Compliance with IFRS
The financial statements have been prepared to take account of the effects of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies. These Statements are prepared in order to comply with International Financial Reporting Standards (IFRS), (promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as International Accounting Standards (IAS) and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions).

The historic cost amounts are shown herein as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies). The Group's External auditors have therefore not expressed an opinion on this historic financial information.

Pursuant to the recognition of the RTGS dollar (ZWL) as currency in Zimbabwe in February 2019 and as reported in the 2019 financial statements, the Group adopted the change in functional currency translation guidelines as per Statutory Instrument (S.I.) 33 which prescribed parity between the RTGS dollar and the US dollar for certain balances. In our opinion and based on the guidance issued by the Public Accountants and Auditors Board (PAAB), the change in functional currency translation guidelines prescribed by S.I. 33 and adopted in preparing the consolidated financial statements for the prior period to comply with statutory requirements created inconsistencies with International Accounting Standard (IAS) 21 (The effects of changes in foreign exchange rates), principles embedded in the IFRS Conceptual Framework as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31).

In addition, following the introduction of the interbank market on 22 February 2019 and the Foreign Exchange Auction trading system on 23 June 2020 through Exchange control Directive RU 28/2019 and Exchange control Directive RV 175/2020, respectively, the Group adopted the interbank rate up to 22 June 2020 as the spot and closing rate to translate all its balances and transactions denominated in foreign currency to the functional and presentation currency, the Zimbabwe Dollar (ZWL). After the promulgation of Exchange control Directive RV 175/2020, the Group then applied the Auction rate. The use of these exchange rates created inconsistencies with International Accounting Standard (IAS) 21. The Directors are of the view that the accounting treatment adopted as a result of adopting the prescribed statutory instruments and Exchange Control Directives in the preparation of these Financial Statements are different from that which the Directors would have adopted if the Group had been able to fully comply with IFRSs.

Going concern
The Covid 19 pandemic has cast unpredictability as to its potential impact on Group's ability to continue as a going concern. The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

Responsibility
The Directors are responsible for preparing the annual financial statements. The financial statements were prepared by CBZ Holdings Limited Group Finance Department under the direction and supervision of the Group Chief Finance Officer Mr Tawanda Gumbo, (PAAB Number 0223).

By order of the Board.

…………………….	…………………….
T. GUMBO	DR .B. MUDAVANHU
GROUP CFO	**GROUP CEO**
18 May 2021	18 May 2021

Ernst & Young

Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way/
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Harare

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Fax: +263 24 2750707 / 2773842
Email: admin@zw.ey.com
www.ey.com

Independent Auditor's Report

To the Shareholders of CBZ Holdings Limited

Report on the Audit of the consolidated inflation adjusted Financial Statements

Qualified Opinion

We have audited the consolidated inflation adjusted financial statements of CBZ Holdings Limited, as set out on pages 62 to 129, which comprise the consolidated inflation adjusted statement of financial position as at 31 December 2020, and the consolidated inflation adjusted statement of profit or loss and other comprehensive income, consolidated inflation adjusted statement of changes in equity and consolidated inflation adjusted statement of cash flows for the year then ended, and notes to the consolidated inflation adjusted financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except of the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated inflation adjusted financial statements present fairly, in all material aspects, the inflation adjusted financial position of the Group as at 31 December 2020, and its consolidated inflation adjusted financial performance and consolidated inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standards IAS 21- *The Effects of Changes in Foreign Exchange Rates:* in prior period and inappropriate application of IAS 8- *Accounting Policies, Changes in Accounting Estimates and Errors*

Historical functional currency date of application

The Group changed its functional and reporting currency from United States Dollar (USD) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019. We however believe that the change occurred on 1 October 2018 in terms of IAS 21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

Management has not restated the opening balances to resolve this matter which resulted in the adverse audit report in the prior period in accordance with *IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors*, therefore, some corresponding numbers on the inflation adjusted statement of financial position and many items on the inflation adjusted statement of comprehensive income remain misstated, impacting comparability of the current year figures.

As a result, the closing balances for the following accounts as stated on the consolidated inflation adjusted Statement of Financial Position remain misstated as they contain amounts from opening balances:

- ZWL1 022 208 000 included in Property and Equipment of ZWL4 793 121 000
- ZWL 1 429 313 000 included in Deferred Tax Liability of ZWL2 055 421 000
- ZWL8 662 126 000 included in Retained earnings of ZWL13 246 324 000

On date of change in functional currency, management translated elements on the consolidated inflation adjusted financial statements using different exchange rates which resulted in a misbalance which was recorded directly in equity as a functional currency translation reserve of ZWL2 358 494 000. This is not in line with the requirements of IFRS.

Valuation of investment properties, land inventory and owner-occupied properties classified under property and equipment

The Group's investment properties, land inventory and freehold land and buildings are carried at ZWL2 748 368 000 (2019: ZWL2 505 734 000); ZWL3 702 935 000 (2019: ZWL3 302 840) and ZWL3 379 115 000 (2019: ZWL3 562 044 000) respectively as described in note 17, note 21 and note 22.

The properties were valued using USD denominated inputs and converted to ZWL at the closing auction rate. We believe that applying a conversion rate to a USD valuation to calculate ZWL property values may not be an accurate reflection of market dynamics, as risks associated with currency trading do not always reflect the risks associated with property trading.

Independent Auditor's Report (Continued)

CBZ Holdings Limited

Consequently, property values may be materially misstated, and we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our prior year audit report was also modified as a result of this matter.

Exchange rates used (Non-compliance with IAS 21)

In the current year, the Group translated foreign denominated transactions and balances to ZWL using the interbank exchange rates for the period 1 January 2020 to 23 June 2020, prior to introduction of the Foreign Exchange Auction Trading System. This includes the period between March and June 2020 when the exchange rate was fixed at USD1: ZWL25. As in the prior year, we concluded that the interbank exchange rates did not meet the definition of a spot exchange rate as per IAS 21, as they were not available for immediate delivery.

This impacts unrealised exchange gains on foreign currency exchange of ZWL3 122 519 000 (2019: ZWL1 356 391 000) and taxation ZWL2 161 185 000 (2019: ZWL2 553 196 000) on the inflation adjusted statement of profit or loss and other comprehensive income and current tax payable of ZWL667 592 000 (2019: ZWL462 157 000) and retained earnings of ZWL13 246 324 000 (2019:ZWL8 662 126 000) on the consolidated inflation adjusted statement of financial position.

However, owing to the lack of information on the spot rates available to the entity and the other matters discussed above it is not possible to quantify the impacts of this departure from IFRS on the amounts noted above.

Application of IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the following balances on the inflation adjusted Statement of Financial Position would have been materially different:

- Property and Equipment of ZWL4 793 121 000 (2019: ZWL 4 584 252 000)
- Retained earnings of ZWL 13 246 324 000 (2019: 8 662 126 000)
- Foreign Currency translation reserve of ZWL 2 358 492 000 (2019: ZWL2 278 318 000)
- Deferred Taxation Liability of ZWL 2 055 421 000 (2019: ZWL 1 429 313 000)

The following amounts on the inflation adjusted Statement of Profit and Loss and Other Comprehensive Income would have been materially different:

- Monetary Loss of ZWL729 166 000 (2019: ZWL2 335 145 000)
- Taxation of ZWL2 161 185 000 (2019: ZW 2 553 196 000)

In addition to the elements specified above, our audit report is also modified as a result of the impact of the following accounts which are in aggregate materially misstated: Gain on property revaluations ZWL284 115 000 (2019: ZWL146 580 000), Deferred tax relating to Other comprehensive income ZWL34 379 000 (2019: ZWL32 437 000), Fair value adjustments on Investment Property ZWL176 308 000 (2019: ZWL122 725 000) and Depreciation expenses of ZWL268 590 000 (2019: ZWL262 653 000.Our prior year audit report was also modified as a result of this matter.

Our opinion in the current year's consolidated inflation adjusted financial statements is modified because of the possible effects of the matters above on the comparability of the current year's consolidated inflation adjusted financial statements with that of prior year.

The effects of the above departures from IFRS are material but not pervasive to the consolidated inflation adjusted financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation adjusted separate Financial Statements section of our report. We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independent Auditor's Report (Continued)

CBZ Holdings Limited

Emphasis of Matter- Settlement of legacy liabilities and Nostro gap

We draw attention to Notes 1.32 and Note 25.2 in the consolidated inflation adjusted financial statements, which collectively provide information relevant to legacy liabilities and Nostro gap affecting the Group. These notes highlight management's assessment of risks associated with these foreign denominated debts and the settlement arrangement with the Reserve Bank of Zimbabwe. Our audit report is not further modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated inflation adjusted financial statements of the current period. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated inflation adjusted financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated inflation adjusted financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated inflation adjusted financial statements.

Key Audit Matter	How our audit addressed the matter
Revenue Recognition (Interest Income)	
Revenue was an area of most significance for the audit in the current year due to the following: • Interest income is a significant component of the Group's consolidated inflation adjusted financial statements • The completeness and accuracy of interest income is a key audit focus area due to interest computations which are highly automated. • Involvement of IT specialists in the recalculations of the automated revenue streams.	Our audit procedures included a combination of tests over internal controls and substantive procedures over the Group's principal revenue lines as follows: • Performed an assessment of the appropriateness of the Revenue recognition criteria used by Management as per International Financial Reporting Standards (IFRS) requirements. • Engaged our Information Technology (IT) specialists to evaluate IT related controls around revenue recognition recording, assessment of IT internal controls supporting logical access, manage change and other appropriate application controls.

Key Audit Matter	How our audit addressed the matter
Revenue Recognition (Interest Income)	
The audit team spent a significant amount of time in the current year due to the complexities as noted above. The Group's revenue recognition policy is disclosed in Note 1.10 of the consolidated inflation adjusted financial statements.	• We engaged our IT specialists to perform recalculations of interest and non-interest income which is predominantly automated. We compared these to amounts recorded in the Group's accounting records. • We agreed manual adjustments to relevant supporting documentation and performed tests of details on manual journals processed for validity and appropriateness of authorisation. • We performed a recalculation of loan facility establishment and arrangement fees, in line with the contractual agreements.
Valuation of loans and advances	
Valuation of loans and advances was an area of most significance for the audit in the current year due to the following: Significant judgement is exercised by Management in assessing the impairment of loans and advances. Impairment is determined by reference to the repayment capacity of the obligor which is driven by their payment history and financial position, condition and value of collateral offered. Due to the size of the Group's loan book we identified impairment of loans and advances as representing a significant risk of material misstatement. Management are responsible for evaluation and assessment of the credit extension processes and whether adequate allowances have been made for uncollectible loans. • There is subjectivity involved in determining the amounts of advances deemed uncollectible and requiring impairment by Management. The determination of uncollectible amounts is performed at an individual and portfolio basis and involves judgement.	We performed the following audit procedures among others: • Tested recoverability and existence of loans through analysis of customer payment trends during the year and after period end before the issuance of the consolidated financial statements. • We updated our understanding of the estimation processes relating to management of the loans and expected credit losses. • We engaged internal experts to review the expected credit losses (ECL) model taking account of the IFRS 9 requirements. • Reviewed security for selected loans and advances and assessed whether the security adequately covered the outstanding loan balance.

Independent Auditor's Report (Continued)

CBZ Holdings Limited

Key Audit Matter	How our audit addressed the matter
Valuation of loans and advances	
• The calculation of expected credit losses on loans is highly complex which in turn requires specialist involvement. • The calculation of the expected credit losses should be performed in line with the requirements of International Financial Reporting Standard 9 (IFRS 9): *Financial Instruments* and Reserve Bank of Zimbabwe (RBZ) loan provisioning guidelines. The matter required significant interactions between the auditor and Management. We refer to note 1.7, note 1.9 (accounting policies) and note 13 of the consolidated financial statements for disclosures relating to loans and advances.	• We assessed the accuracy of management's assigned grading into the different RBZ grading guidelines and selected a sample of advances to analyse accuracy of the classification of the loans into various credit quality portfolios as prescribed by RBZ.

Other information
Other information consists of the Chairman's statement and the Statement of Directors' responsibility which we obtained prior to the date of this report and The Group Chief Executive Officer's Report, the Report of the Directors, Actuary Report, Corporate Social Responsibility Report and the Statement of Corporate Governance which were made available to us after that date. Other information does not include the consolidated inflation adjusted financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. As described in the Basis for Qualified Opinion section above, the Group did not comply with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, requirements of IAS 21 *The Effects of changes in foreign exchange rates* and the application of IAS 29 - *Financial Reporting in Hyperinflationary Economies* on incorrect base numbers and incorrect start date, inappropriate valuation of properties. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the consolidated Inflation Adjusted Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated inflation adjusted financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group's or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated inflation adjusted financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (Continued)

CBZ Holdings Limited

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated inflation adjusted financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation separate financial statements, including the disclosures, and whether the inflation separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated inflation adjusted financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Fungai Kuipa (PAAB Practising certificate Number 335).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Harare

19 May 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	AUDITED INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	AUDITED RESTATED 31 DEC 2019 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2019 ZWL$ 000
Interest income	2	5 087 529	2 412 315	3 335 968	213 983
Interest expense	2	(1 400 533)	(697 535)	(574 610)	(62 173)
Net interest income		**3 686 996**	**1 714 780**	**2 761 358**	**151 810**
Net Non-interest income	3	10 622 416	10 170 345	11 166 804	1 757 763
Net underwriting income	4	288 256	311 171	100 660	15 009
Total income		**14 597 668**	**12 196 296**	**14 028 822**	**1 924 582**
Operating expenditure	5	(5 571 790)	(4 894 106)	(4 092 266)	(574 210)
Operating income		**9 025 878**	**7 302 190**	**9 936 556**	**1 350 372**
Transfer to life fund		(99 497)	(7 466)	(86 795)	(1 664)
Credit loss expense	15	(946 914)	(993 395)	(946 914)	(221 450)
Charge for impairment on insurance assets		(15 439)	(11 006)	(15 439)	(2 454)
Monetary loss		(729 166)	(2 335 145)	-	-
Profit before taxation		**7 234 862**	**3 955 178**	**8 887 408**	**1 124 804**
Taxation	7.1	(2 161 185)	(2 553 196)	(2 740 341)	(199 826)
Profit after tax for the year		**5 073 677**	**1 401 982**	**6 147 067**	**924 978**
Items that will not be reclassified to profit or loss in subsequent periods					
Other comprehensive income					
Gains on property revaluations		284 115	146 580	2 994 769	674 369
Gains on equity instruments at FVOCI		109 556	168 048	788 333	164 624
Exchange gains on change of functional currency		-	2 280 228	-	92 149
Deferred income tax relating to components of other comprehensive income	7.3	(34 379)	(32 437)	(507 665)	(122 216)
		359 292	**2 562 419**	**3 275 437**	**808 926**
Items that will be reclassified to profit or loss in subsequent periods					
Exchange gains/(losses) on translation of foreign subsidiary	31.9	80 176	(907)	79 854	(584)
Other comprehensive income for the year net of tax		**439 468**	**2 561 512**	**3 355 291**	**808 342**
Total comprehensive income for the year		**5 513 145**	**3 963 494**	**9 502 358**	**1 733 320**
Profit for the year attributable to:					
Equity holders of parent		5 073 766	1 403 868	6 145 925	924 896
Non-controlling interests	31.7	(89)	(1 886)	1 142	82
		5 073 677	**1 401 982**	**6 147 067**	**924 978**
Total comprehensive income for the year attributable to:					
Equity holders of parent		5 513 214	3 964 377	9 500 216	1 733 013
Non-controlling interests	31.7	(69)	(883)	2 142	307
Total comprehensive income for the year		**5 513 145**	**3 963 494**	**9 502 358**	**1 733 320**
Earnings per share (cents)					
Basic	8.1	977.53	270.86	1 184.09	178.19
Fully diluted	8.1	977.53	259.27	1 184.09	178.19
Headline	8.1	964.81	261.81	897.89	111.23

The historical cost information has been shown as supplementary information for the benefit of users.This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	NOTES	AUDITED INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	AUDITED RESTATED 31 DEC 2019 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2019 ZWL$ 000
ASSETS					
Balances with banks and cash	10	19 752 126	10 767 194	19 752 126	2 400 254
Money market assets	11	7 583 721	1 005 573	7 583 721	224 165
Financial securities	12	982 879	5 346 038	982 879	1 191 754
Loans and advances to customers	13	29 438 930	13 519 924	29 438 930	3 013 901
Insurance assets	14	608 073	341 263	608 073	74 792
Equity investments	18	1 923 830	951 399	1 923 830	212 089
Land inventory	17	3 702 935	3 302 840	470 639	139 034
Other assets	16	22 762 584	37 143 470	20 503 312	8 162 479
Current tax receivable		540	2 467	540	550
Intangible assets	23	123 529	46 836	87 202	2 924
Property and equipment	21	4 793 121	4 584 252	3 790 193	873 439
Investment properties	22	2 748 368	2 505 734	2 748 368	558 586
Deferred tax asset	24.1	461 490	475 801	463 832	106 042
TOTAL ASSETS		**94 882 126**	**79 992 791**	**88 353 645**	**16 960 009**
LIABILITIES					
Deposits	25	65 186 915	58 607 878	65 186 915	13 065 039
Insurance liabilities	26	553 007	265 555	553 007	59 198
Other liabilities	27	8 669 071	6 534 351	8 467 292	1 423 998
Current tax payable		667 592	462 157	667 592	103 025
Life fund	28	92 765	17 651	92 765	3 935
Investment contract liabilities	29	14 625	15 293	14 625	3 409
Deferred tax liability	24.2	2 055 421	1 429 313	2 286 125	259 952
Lease liability	21.1b	21 144	17 944	21 144	4 000
		77 260 540	**67 350 142**	**77 289 465**	**14 922 556**
EQUITY					
Share capital	31.1	167 401	167 401	5 220	5 220
Share premium	31.2	1 022 979	1 022 979	33 876	33 876
Revaluation reserve	31.4	333 371	122 196	2 810 911	592 078
Fair value reserve	31.8	490 257	387 187	913 712	164 808
Retained earnings	31.6	13 246 324	8 662 126	7 126 176	1 149 527
Foreign currency translation reserve	31.9	2 358 494	2 278 318	171 378	91 524
Equity attributable to equity holders of the parent		**17 618 826**	**12 640 207**	**11 061 273**	**2 037 033**
Non-controlling interests	31.7	2 760	2 442	2 907	420
TOTAL EQUITY		**17 621 586**	**12 642 649**	**11 064 180**	**2 037 453**
TOTAL LIABILITIES AND EQUITY		**94 882 126**	**79 992 791**	**88 353 645**	**16 960 009**

marc Holtzman
……………………..
M. HOLTZMAN
GROUP CHAIRMAN

…………………………..
DR .B. MUDAVANHU
GROUP CEO

…………………………..........
RUMBIDZAYI A. JAKANANI
GROUP LEGAL CORPORATE SECRETARY

18 MAY 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED

	Share capital ZWL$ 000	Share premium ZWL$ 000	Treasury shares ZWL$ 000	Share option reserve ZWL$ 000	Revaluation reserve ZWL$ 000	Fair value reserve ZWL$ 000	*FCTR ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non–controlling interests ZWL$ 000	Total ZWL$ 000
RESTATED											
31 DEC 2019											
Opening balance	191 414	1 115 197	(490 086)	32 428	–	227 192	–	7 719 887	8 796 032	3 398	8 799 430
Profit for the year	–	–	–	–	–	–	–	1 403 868	1 403 868	(1 886)	1 401 982
Other comprehensive income for the year	–	–	–	–	122 196	159 995	2 278 318	–	2 560 509	1 003	2 561 512
Employee share option expense	–	–	–	297	–	–	–	–	297	–	297
Exercise of share options	211	2 354	–	(706)	–	–	–	–	1 859	–	1 859
Dividend paid	–	–	–	–	–	–	–	(122 358)	(122 358)	(73)	(122 431)
Cancellation of share options	–	–	–	(32 019)	–	–	–	32 019	–	–	–
Treasury shares cancellation	(24 224)	(94 572)	490 086	–	–	–	–	(371 290)	–	–	–
Closing balance	**167 401**	**1 022 979**	**–**	**–**	**122 196**	**387 187**	**2 278 318**	**8 662 126**	**12 640 207**	**2 442**	**12 642 649**
31 DEC 2020											
Opening balance	167 401	1 022 979	–	–	122 196	387 187	2 278 318	8 662 126	12 640 207	2 442	12 642 649
Profit for the year	–	–	–	–	–	–	–	5 073 766	5 073 766	(89)	5 073 677
Other comprehensive income for the year	–	–	–	–	256 202	103 070	80 176	–	439 448	20	439 468
Dividend paid	–	–	–	–	–	–	–	(534 595)	(534 595)	–	(534 595)
Rights issue (NCI)	–	–	–	–	–	–	–	–	–	387	387
Inter–category transfer	–	–	–	–	(45 027)	–	–	45 027	–	–	–
Closing balance	**167 401**	**1 022 979**	**–**	**–**	**333 371**	**490 257**	**2 358 494**	**13 246 324**	**17 618 826**	**2 760**	**17 621 586**

UNAUDITED HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	Treasury shares ZWL$ 000	Share option reserve ZWL$ 000	Revaluation reserve ZWL$ 000	Fair value reserve ZWL$ 000	*FCTR ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non–controlling interests ZWL$ 000	Total ZWL$ 000
31 DEC 2019											
Opening balance	6 870	40 023	(17 589)	1 164	32 139	8 154	–	244 918	315 679	122	315 801
Profit for the year	–	–	–	–	–	–	–	924 896	924 896	82	924 978
Other comprehensive income for the year	–	–	–	–	559 939	156 654	91 524	–	808 117	225	808 342
Employee share option expense	–	–	–	57	–	–	–	–	57	–	57
Exercise of share options	40	450	–	(135)	–	–	–	–	355	–	355
Dividend paid	–	–	–	–	–	–	–	(12 071)	(12 071)	(9)	(12 080)
Cancellation of share options	–	–	–	(1 086)	–	–	–	1 086	–	–	–
Treasury shares cancellation	(1 690)	(6 597)	17 589	–	–	–	–	(9 302)	–	–	–
Closing balance	**5 220**	**33 876**	**–**	**–**	**592 078**	**164 808**	**91 524**	**1 149 527**	**2 037 033**	**420**	**2 037 453**
31 Dec 2020											
Opening balance	5 220	33 876	–	–	592 078	164 808	91 524	1 149 527	2 037 033	420	2 037 453
Profit for the year	–	–	–	–	–	–	–	6 145 925	6 145 925	1 142	6 147 067
Other comprehensive income for the year	–	–	–	–	2 525 533	748 904	79 854	–	3 354 291	1 000	3 355 291
Dividend paid	–	–	–	–	–	–	–	(475 976)	(475 976)	–	(475 976)
Rights Issue (NCI)	–	–	–	–	–	–	–	–	–	345	345
Inter–category transfer	–	–	–	–	(306 700)	–	–	306 700	–	–	–
Closing balance	**5 220**	**33 876**	**–**	**–**	**2 810 911**	**913 712**	**171 378**	**7 126 176**	**11 061 273**	**2 907**	**11 064 180**

** FCTR - Foreign Currency Translation Reserve*

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**7 234 862**	**3 955 178**	**8 887 408**	**1 124 804**
Non cash items:				
Monetary loss	729 166	2 335 145	-	-
Depreciation	268 590	262 653	143 408	25 663
Amortisation of intangible assets	23 404	19 895	14 915	1 198
Write off of property and equipment	160	53 706	128	(93)
Write off of intangible assets	300	-	175	-
Write off of land inventory	818	-	818	-
Write off of investment properties	86 073	-	50 270	-
Write off of other assets	-	693	-	630
Fair value adjustments on investment properties	(176 308)	(122 725)	(2 041 705)	(461 632)
Write off of right of use asset and lease liability	1 627	-	(896)	-
Fair value adjustments on financial instruments	52 534	232 969	(374 155)	(11 631)
Expected credit loss expense	946 914	993 395	946 915	221 450
Impairment on insurance assets	15 439	11 006	15 439	2 454
Unrealised profit on foreign currency position	(3 122 519)	(1 356 391)	(3 122 519)	(302 371)
Exchange gains on change of functional currency	-	(3 256 602)	-	(131 787)
Loss/(profit) on disposal of investment properties	98 243	(1 192)	(9 251)	(428)
Unearned premium reserve movement	17 605	18 413	70 575	13 805
Incurred But Not Reported (IBNR) claims provisions	13 766	10 540	13 760	1 773
Deferred commission movement	(2 049)	2 110	764	271
(Profit)\loss on sale of property and equipment	(368)	5 875	17 881	59
Transfer to life fund	99 497	7 466	86 795	1 664
Employee share option expense	-	297	-	57
Interest on lease liability	1 748	7 288	1 139	128
Operating cash flows before changes in operating assets and liabilities	**6 289 502**	**3 179 719**	**4 701 864**	**486 014**
Changes in operating assets and liabilities				
Deposits	40 472 335	52 887 214	13 589 510	3 593 107
Loans and advances to customers	(69 454 103)	(37 928 533)	(23 320 799)	(2 550 148)
Life assurance investment contract liabilities	12 674	14 949	11 216	90 069
Money market assets	(13 736 988)	526 664	(4 612 506)	35 781
Financial securities	598 496	1 325 613	202 949	1 016
Insurance assets	(508 040)	(271 918)	(422 353)	(36 220)
Insurance liabilities	309 097	119 904	284 378	2 419
Land inventory	(400 914)	276 963	(332 424)	9 121
Other assets	19 550 046	13 319 586	9 252 465	(1 095 848)
Other Liabilities	20 719 539	(15 005 304)	2 742 784	1 318 123
	(2 437 858)	**15 265 138**	**(2 604 780)**	**1 367 420**
TAXATION				
Corporate tax paid	(1 347 780)	(241 097)	(1 015 045)	(32 232)
Net cash inflow from operating activities	**2 503 864**	**18 203 760**	**1 082 039**	**1 821 202**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	79 206	2 061	49 293	459
Equity investments disposed during the year	(962 872)	(82 787)	(583 356)	(5 027)
Investment disposed during the year	47 463	39 425	34 103	5 235
Purchase of investment property	(301 220)	(80 292)	(236 157)	(5 829)
Proceeds on disposal of property and equipment	297 278	1 501	293 055	211
Purchase of property and equipment	(578 827)	(520 058)	(452 058)	(61 566)
Purchase of intangible assets	(2 036)	(14 837)	(1 397)	(2 243)
Net cash outflow from investing activities	**(1 421 008)**	**(654 987)**	**(896 517)**	**(68 760)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of employee share options	-	1 859	-	355
Rights Issue (Non-Controlling Interest)	387	-	345	-
Lease liability principal repayment	(11 542)	(7 642)	(6 562)	(730)
Interest on lease liability paid	(1 748)	(7 288)	(1 139)	(128)
Dividend paid	(534 595)	(122 431)	(475 976)	(12 080)
Net cash outflow from financing activities	**(547 498)**	**(135 502)**	**(483 332)**	**(12 583)**
Net increase in cash and cash equivalents	**535 358**	**17 413 271**	**(297 810)**	**1 739 859**
Cash and cash equivalents at beginning of the year	10 767 194	10 486 247	2 400 254	376 338
Exchange gains on foreign cash balances	17 649 682	1 274 250	17 649 682	284 057
Inflation effects on cash and cash equivalents	(9 200 108)	(18 406 574)	-	-
Cash and cash equivalents at end of the year	**19 752 126**	**10 767 194**	**19 752 126**	**2 400 254**
ADDITIONAL INFORMATION ON OPERATIONAL CASH FLOWS ON DIVIDENDS				
Dividends received from unquoted equity instruments	71 904	80 412	56 916	9 800
	71 904	**80 412**	**56 916**	**9 800**

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

GROUP ACCOUNTING POLICIES

1. GROUP ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Group.

1 .1 BASIS OF PREPARATION

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs)) which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC).In addition, these financial statements have also been prepared with the aim of fully complying with the with the Companies and Other Business Entities Act (Chapter 24:31) and have been prepared in the manner required by the Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07); the Building Societies Act (Chapter 24:02), securities Act (Chapter 24:25) and Asset Management Act (Chapter 24:06).The consolidated financial results have been restated take account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Compliance with IFRS is intended to achieve consistency and comparability of financial statements. However, it has been impracticable to fully comply with IFRS in the current and prior year, due to the need to comply with local legislation, specifically Statutory Instrument 33 of 2019, Exchange control Directive RV 175/2020 and Exchange control Directive RU 28/2019. The Directors are of the view that the requirement to comply with the Statutory Instrument and the exchange control directives created inconsistencies with International Accounting Standard (IAS) 21 (The effects of changes foreign exchange rates) as well as with the principles embedded in the IFRS Conceptual Framework. This has resulted in the accounting treatment adopted in these Financial Statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS and the requirements of the Companies and Other Business Entities Act (Chapter 24:31)

Determination of the functional currency

The Group is operating in an environment which has witnessed significant monetary and exchange control policy changes. These policies include the Exchange control Directive RV 175/2020 which introduced the Foreign Exchange Auction trading system which became operational with effect from 23 June 2020 and the Statutory Instrument (SI) 85 of 2020 which authorized the use of free-funds in paying for goods and services. Given the context of the environment, management has assessed if there has been a change in the functional currency used by the Group. The assessment included consideration of whether the use of free funds in paying for goods and services may represent a change in functional currency. In doing so management considered
parameters set in IAS 21 as follows:

- The currency that mainly influences the sales prices for goods and services
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
- The currency that mainly influences labour, material and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained

In light of the developments summarised above and guidance from IAS 21, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL) as presented in the prior year financial statements and all values are rounded to the nearest $ except when otherwise indicated.

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit

The Group adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. The indices and conversion factors used to restate these financials are given below.

Date	Indices	Conversion Factors
31 December 2019	551.625	4.4858
31 December 2020	2474.510	1.000

The procedures applied in the above restatement of transactions and balances are as follows:

- All comparative figures as at end of the period 31 December 2019 were restated by applying the change in the index from the date of last re-measurement to 31 December 2020.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2020. Property and equipment is restated by applying the change in the index from the date of transaction to 31 December 2020.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. Depreciation and amortisation amounts are based on the restated costs or carrying amounts.
- Income statement items/transactions, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the period ended 31 December 2020.
- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- Current tax expense was restated using the increase in the general price index from the related month until the reporting date.
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The financial statements of one of the Group subsidiaries which do not report in the currencies of hyperinflationary economies were dealt with in accordance with IAS 21. Comparative figures as at end of the period 31 December 2019 were restated by applying the change in the index from the date of last re-measurement to 31 December 2020.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

1 .1 BASIS OF PREPARATION *(continued)*

The historical cost information has been shown as supplementary information for the benefit of users. These are not required in terms of International Accounting Standard (IAS) 29 “Financial Reporting in Hyperinflationary Economies”. The auditors have not expressed an opinion on the historical cost information.

Basis of consolidation.

The Group’s consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss

Control is achieved when the Group has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the date control was acquired and up to the date control ceased. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full.

Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated profit or loss and comprehensive income and within equity in the consolidated statement of Financial Position, separately from parent shareholders’ equity.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business
The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. The details of accounting policies are set out on 1.1 basis of consolidation. These amendments had no impact on the prior year consolidated financial statements of the Group. However, during the year, the Group entered into a transaction which involved 100% acquisition of a separate Company. This was assessed in terms of the new business definition and the Directors concluded that the transaction was an acquisition of assets rather than it being a business combination.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group’s accounting policies, management made certain judgements and estimates that have a significant effect on the amounts recognised in the financial statements as stated below:

Fair value measurement principles
The fair value of financial instruments is based on their market price at the reporting date. If a market price is not available, the fair value of an instrument is estimated using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimates and the discount rate is market related at the reporting date for an instrument with similar terms and conditions.

The Group adopted the Directors valuation on its Investment properties, land inventory and properties. The frequency of valuations depends on the changes in the fair values.
The Group’s Valuations rely on available market evidence as input for calculating property fair values. This includes transaction prices for comparable properties, rents and capitalisation rates. The market information available during the period under review was largely denominated in the US$ currency. As such, the valuers relied on US$ based evidence and produced valuations which are denominated in that currency. The Group adopted the approach of converting the resultant USD valuations at the Inter-Bank rate on the date of valuation, to calculate ZWL property values which were then included in the 2020 Financial Statements.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Expected Credit Loss
The Group reviews individually all financial assets, financial guarantees and letters of credit at the reporting date to assess whether there has been increase in credit risk for the purposes of expected credit loss expense calculation. In particular, judgement by Management is required on key concepts such as whether there has been a significant increase in credit risk, measurement of lifetime expected credit losses and forward-looking assumptions on determining the probability of default. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

IFRS 9 requires the assessment of the Expected Credit loss (ECL) on all financial assets from initial recognition. The ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group records the expected loss expense through profit or loss. Refer to note 12.4 for more detail on the Expected Credit loss (ECL) expense on financial assets.

Assets and liabilities linked to Legacy Debts and nostro gap accounts
The Group held foreign currency denominated legacy debts and nostro gap accounts amounting to US$167 966 227 at 31 December 2020. These debts relate to liabilities denominated in US Dollars. The liabilities were translated to the functional currency at the closing rate in line with IAS 21. On the asset side the Group recognised a Government grant asset and the related income in line with IAS 20. The Group, expects that the grant will be received and that the Reserve Bank of Zimbabwe has the intention and ability to settle, on a gradual basis, the outstanding amounts. During the period under review, amounts totalling US$6 617 688 were settled through this arrangement whilst payments totalling US$9 461 125 have been made subsequent to year end. As at year end, the Bank was not able to reasonably estimate the timing and amount of the cash flows associated with the government grant receivable.

The Group has considered whether the grant receivable is impaired at year end and concluded that no impairment should be applied to the asset's carrying amount as estimates of probability of default and loss given default are low due its sovereign nature.

Estimation of property and equipment useful life
The determination of estimated useful life for property and equipment is carried out at each reporting date. At the end of each financial year, the Group's valuations department assesses all property taking into account the market values and physical status. The Group reassesses the estimated useful life for property and equipment at each reporting period. The reassessment takes into account physical status, technological trends and historical usage. Where the reassessment indicates a change in the useful life the change is treated as a change in accounting estimate and accounted for prospectively in line with IAS 8. Refer to accounting policy note 1.6 for the useful lives of property and equipment.

Estimation of property and equipment residual values
The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The estimated residual values of property and equipment are determined at each reporting date. The residual values are taken into account on depreciation calculation where Property and equipment are depreciated over their estimated useful lives on a straight line basis such that the cost or valuations of the assets are reduced to the estimated residual values. Where there has been a change on the residual value of an asset of property and equipment the change is accounted for prospectively as a change in accounting estimate. The average of 10% residual value has been determined from the general assessment save for land, buildings and software.

Valuation of unlisted equity investments
When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discounts rates, cash flows, comparable prices, liquidity risk, credit risk and volatility.

Deferred tax
Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising out of the initial recognition of assets or liabilities and temporary differences on initial recognition of business combinations that affect neither accounting nor taxable profit are not recognised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Management exercised judgement on the extent to which the Group that will generate taxable profit against which the deductible temporary difference can be utilised.

Incurred but Not Reported (IBNR) reserve
The Group establishes IBNR reserve, to recognize the estimated cost of losses for events which have already occurred but which have not yet been reported. These reserves are established to recognize the estimated costs required to bring such claims to final settlement

i. IBNR on Short term insurance claims

For short-term insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The provision has been determined using the Born-Huetter Ferguson ("BHF") method.

ii. IBNR on Life Assurance

This is based on 0.75 expected deaths per months per 1000 lives assured multiplied by the average sums assured. These expected claim payments are then decreased relative to the elapsed time on year-end on assumption that all claims should have been notified within 10 months from date of death. There are no reserves for staff loans as all deaths are notified immediately. Funeral claims are estimated at 70% of risk premiums assuming all claims will be reported within one month.

Life Fund
The life fund reserve is actuarially determined by a qualified independent actuary on a yearly basis. The reserve is determined by reviewing the products on offer, risk associated with each product. Assumptions and methods of determining the results are also reviewed.

Effective Interest rate
When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, excluding ECL. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. In coming up with the effective interest rate, the Group makes significant judgement on credit rating of a specific customer, the security available to cover the exposure, the facility type and the tenure of the exposure.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Going concern
In assessing the Group's going concern in light of the COVID 19 Pandemic, management made judgements on how the Group statement of profit or loss and the Statement of Financial Position items will be affected by the impact of the pandemic. (Refer to note 40 for a detailed assessment impact)

Uncertain Tax treatments
Income tax expense represents the sum of the tax currently payable and deferred tax. The Group uses judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision is based on which approach provides better predictions of the resolution of the uncertainty. The Company assumes that the taxation authority will examine amounts reported to it and will have full knowledge of all relevant information when doing so. Where the, Group concludes that it is probable that a particular tax treatment will be accepted, it determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the Group concludes that it is not probable that a particular tax treatment will be accepted, it uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of buildings that are used as branches. The Group typically exercises its option to renew these leases because there will be a significant negative effect on business if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Determining the incremental borrowing rate to use as discount rate on initial recognition
The Group's incremental borrowing rate represents what the Group 'would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.' In applying the concept of 'similar security', the Group uses the right of-use asset granted by the lease and not the fair value of the underlying asset. The Group's rate represents the amount that would be charged to acquire an asset of similar value for a similar period. The Group estimates the IBR using observable inputs (such as market interest rates) and make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease). The Group applied judgement to estimate an incremental borrowing rate in the context of a right-of-use asset, especially when the value of the underlying asset differs significantly from the value of the right-of-use asset.

Property lease classification – Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

1.4 FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the interbank rate ruling (which is the only legal source of exchange rates) at the reporting date. Non-monetary assets denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of transaction while those at Fair value are translated using the exchange rate at the date when the fair value was determined. All exchange gains/losses arising on the translation or settlement of foreign denominated monetary items are recognised in profit or loss.

1.5 INVESTMENT PROPERTIES

Recognition criteria
Investment properties are those properties held for earning rental income and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are measured at fair value. Fair value gains or losses are recorded through profit or loss under non-interest income.

In coming up with the fair value the valuer takes into account:

- Age of property
- Aesthetic quality
- Structural condition
- Size of land

Transfers to and from investment properties
Transfers are made to or from investment property only when there is a change in use and a revaluation is done first before the transfer. If an investment property becomes more than 20% owner occupied where split is not possible, it is reclassified as property and equipment in accordance with IAS 16 (Property, plant and equipment) and its fair value at the date of its classification becomes its cost for subsequent accounting as property and equipment under IAS 16.

Derecognition
Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

1.6 PROPERTY AND EQUIPMENT

Recognition criteria
Work in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met. Gross carrying amount represents either cost or the revalued amount, in the case of revalued property. Property and equipment are depreciated over their estimated useful lives on a straight line basis such that the cost or valuations of the assets are reduced to their estimated residual values. The estimated useful lives at the end of this reporting period are:

Buildings	40 years
Computer and equipment	5 years
Furniture & Fittings	10 years
Leasehold improvements	10 years
Motor vehicles	3 – 5 years

1.6 PROPERTY AND EQUIPMENT *(continued)*

Recognition criteria *(continued)*

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The assets` residual values, useful lives and methods of depreciation are reviewed and adjusted, where appropriate, at each financial year end.

Freehold land and buildings are measured at fair value while subsequent additions between valuation dates are shown at cost**.** The frequency of valuations depends on the changes in the fair values these assets. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings. Any revaluation surplus is credited to the asset revaluation reserve except to the extent that it reverses a revaluation loss of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss except where a deficit directly offsets a previous surplus on the same asset. This deficit is directly offset against the surplus in the asset revaluation reserve. All other items of property and equipment are carried at cost.

Derecognition
An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Revaluation reserves are maintained as long as the Group still holds the assets. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

1.7 FINANCIAL ASSETS

Initial Recognition
A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets held by the Group include balances with banks and cash, money market assets, loans and advances and debt and equity investments.

Financial assets in the scope of IFRS 9 (Financial instruments) are classified, at initial recognition, and subsequently measured at:

- Amortised Cost,
- Fair Value Through Other Comprehensive Income (FVOCI), or
- Fair Value Through Profit or Loss (FVPL),

When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, any directly attributable transaction costs. Transaction costs on all financial assets that are carried at fair value through profit or loss, they are accounted for as an expense. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement
For purposes of subsequent measurement, the Group's financial assets are classified in the following three categories:

i. **Financial assets at amortised cost**
The Group's financial assets are classified as subsequently measured at amortised cost under IFRS 9 if they meet both of the following criteria:
   - Hold to collect business model test – The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows. The hold to collect business model does not require that financial assets are always held until their maturity. The Group's business model can still be to hold financial assets to collect contractual cash flows, even when sales of financial assets occur. Examples of these sales that would not contradict holding financial assets to collect contractual cash flows include selling the financial asset close to its maturity and selling the financial asset to realise cash to deal with an unforeseen need for liquidity.
   - Solely payments of principal and interest (SPPI) contractual cash flow characteristics test – The contractual terms of the financial asset give rise to cash flows that are SPPI on the principal amount outstanding on a specified date. (I.e. the contractual cash flows are consistent with a basic lending arrangement).

The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in the Group's interest income using the effective interest rate method. The Group's financial assets at amortised cost mainly include loans and advances to customers, financial securities, money market assets and trade receivables.

ii. **Financial assets at fair value through comprehensive income**
The Group measures its debt instruments at fair value through OCI if both of the following conditions are met:
   - financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments measured at fair value through OCI, interest income and foreign exchange revaluation are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. However, the loss allowance is recognised in other comprehensive income and do not reduce the carrying amount of the financial asset in the Statement of Financial position. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments not held for trading as equity instruments designated at fair value through OCI. This election is made on an instrument by instrument basis. The Group's equity investments measured under this category are unquoted equities. Gains and losses on these

1.7 FINANCIAL ASSETS *(continued)*

ii. Financial assets at fair value through comprehensive income *(continued)*

financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

iii. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

1.8 FINANCIAL LIABILITIES

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and deposits.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans, other borrowings and deposits are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in profit or loss.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.9 IMPAIRMENT

Financial assets
The Group assesses at each reporting date on a forward looking basis, the expected credit losses (ECL) associated with a financial asset or a group of financial assets. The Group carries out a significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly since initial recognition. This assessment determines which grading/classification stage the instrument is in and the amount of ECL to recognise. Whether credit risk has significantly increased or not is determined based on the changes in default risk. Evidence of changes in default risk may include indications that the debtors or a group of debtors is experiencing significant difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets carried at amortised cost
The carrying amount of the financial asset in the Statement of Financial Position shall be reduced with the loss allowance for expected credit losses (ECL). The Group recognizes 12-month expected credit loss as loss allowance when there is no significant increase in the credit risk of the financial asset since initial recognition. When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as a loss allowance. The amount of the credit loss expense is measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The Group recognises credit loss even if it expects to be paid in full but later than when contractually due.

The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

The Group carries out significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually, significant since initial recognition. If it is determined that there is no significant increase in the credit risk since initial recognition, the Group recognizes 12-month expected credit losses. If it is determined that there is significant increase in the credit risk since initial recognition, the Group recognizes life time credit loss allowance.

1.9 IMPAIRMENT *(continued)*

Financial Assets carried at amortised cost *(continued)*

If in a subsequent period, the amount of the Expected Credit Loss (ECL) decreases and the decrease can be to credit risk the previously recognised loss allowance is reversed. Any subsequent reversal of the loss allowance is recognised in profit or loss to the extent that the carrying value of the asset does not exceed what the amortised cost would have been had the impairment is reversed.

No ECLs are recognised on Cash and Bank.

Financial Assets carried at Fair Value through other comprehensive income (FVOCI)
The Group's equity investments measured at Fair Value through other comprehensive income are unlisted equity investments. No impairment loss is recognised on equity instruments as they are measured at fair value with gains and losses recognised through OCI and the fair value reserve.

Financial Assets carried at Fair Value through profit or loss (FVPL)
No impairment is recognised for financial assets measured at Fair value through profit or loss. Changes in fair value are recognised through profit and loss in as much as they affect the carrying amount of these assets. The Group has listed equity investments and these are measured at FVPL.

1.10 REVENUE RECOGNITION

The Group's major revenue items emanate from IFRS 9 (Financial instruments), IFRS 15 (Revenue from contract with customers) and IFRS 4 insurance Contracts is recognised as follows:

a) Revenue within the scope of IFRS 15
The Group recognises revenue from contracts with customers under the scope of IFRS 15 as it transfers promised goods or services to customers at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services excluding amounts collected on behalf of third parties. The Group applies the five step approach to revenue recognition under IFRS 15. The Group recognises revenue when a performance obligation is satisfied by transferring a promised good or service to the customer (which is when the customer obtains control of that good or service).

The Group satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time (typically for promises to transfer services to a customer) or at a point in time (typically for promises to transfer goods to a customer). Control includes the ability to prevent others from directing the use of and obtaining the benefits from the asset. The Group satisfies a performance obligation at a point in time unless it meets one of the following criteria, in which case, it is deemed to be satisfied over time:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the Group does not satisfy its performance obligation over time, it satisfies it at a point in time and revenue will be recognised when control is passed at that point in time. Factors that indicate the passing of control include the present right to payment for the asset or the customer has legal title to the asset or the Group has transferred physical possession of the asset.

When the revenue is recognised over time, the Group recognises the revenue in line with the pattern of transfer. The Group selects an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Whether the Group recognises revenue over the period during which it produces a product/services, or on delivery to the customer will depend on the specific terms of the contract.

The Group's major revenue items recognised under the scope of IFRS 15 are as follows:

i. Services rendered
The Group recognises revenue for services rendered at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for the services excluding amounts collected on behalf of third parties to customers based on the estimated outcome of the transactions. (These include project management fees and advisory income that is recognised over a period of time. The revenue is recognised by reference to the stage of completion of the transaction at the reporting date. The stage of completion is measured based on the amount of work performed. When the outcome cannot be reliably estimated, revenue is recognised only to the extent of the expenses incurred that are recoverable.

ii. Commission and fee income
The Group recognises revenue from commission and fee income including account maintenance fees, ledger fees, advisory income, Agro Inputs handling fees, ATM/ cash withdrawal fees and Point of sale income as the related services are performed. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

iii. Property sales
Revenue arising from the sale of land inventory is recognised as an amount that reflects the consideration to which the Group expects to be entitled to in exchange of the land inventory excluding amounts collected on behalf of third. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when control has been transferred upon signing of the sale agreement. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months.

Iv Agribusiness income
The Group records revenue from the provision of Agricultural inputs to its beneficiary contract farmers. The revenue is recognised when the control of agricultural inputs transfers to the beneficiary contract farmer, which generally occurs at the time of collection of inputs from the designated supplier, distributor or directly delivered to the beneficiary contract farmer's preferred location. The Group prices agricultural inputs at market price of such inputs. Once these criteria are met, the inputs debtor- asset is derecognized, where inputs were paid in advance and the gain or loss on such inputs is recorded upon the transfer of control of the agricultural inputs to the beneficiary farmer.

b) Revenue within the scope of IFRS 9

The Group's revenue items recognised under the scope of IFRS 9 are as follows:

i. Trading income
The Group recognises profits or losses and fair value adjustments on held for trading financial instruments both realised and unrealised in income as earned.

ii. Interest Income
Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets (POCI), the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For

1.10 REVENUE RECOGNITION *(continued)*

b) Revenue within the scope of IFRS 9 *(continued)*

purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.
For Financial assets that are not POCI, but have become credit impaired (or stage 3), interest income is calculated by applying the effective interest to their amortised cost (i.e. net of the expected credit loss provision).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

iii. Commission and fee income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

iv. Dividends

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends are presented in net trading income, net income from other financial instruments at FVTPL or other revenue based on the underlying classification of the equity investment.

Dividends on equity investments designated at FVOCI are recognised in P/L, unless if the dividend clearly represents a recovery of part of the cost of the investment.

c) The Group's revenue items recognised under the scope of IFRS 4 are as follows:

i. Premiums

Premiums written comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude taxes and levies based on premiums. Premiums written include adjustments to premiums written in prior accounting periods. Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or inwards reinsurance business. An estimate is made at the financial reporting date to recognise retrospective adjustments to premiums or commissions. The earned portion of premiums received, including unclosed business, is recognised as revenue. Premiums on unclosed business are brought into account, based upon the pattern of booking of renewals and new business. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten. Outward reinsurance premiums are recognised as an expense in accordance with the pattern or reinsurance service received. A portion of outwards reinsurance premiums is treated as prepayments.

Premiums that are not received after two months are transferred to Suspended income and therefore reducing the gross written premium. The premium receivables are netted off the suspended income balance at the reporting date.

ii. Commission receivable

Commission receivable relating to the unexpired portion of a risk is recognised at the reporting date calculated on a 1/365 basis.

1.11 BASIS OF ACCOUNTING FOR UNDERWRITING ACTIVITIES

Underwriting results are determined on an annual basis whereby the incurred cost of claims, commission and related expenses is charged against the earned premiums.

Claims
Claims represent the ultimate cost (net of salvage recoveries) of settling all claims arising from events that have occurred up to the reporting date. Claims incurred but not reported are claims arising out of events which have occurred by the reporting date but have not yet been reported at that date.

Unexpired risk provision
An unexpired risk provision is made for any deficiencies arising when unearned premiums, net of associated acquisition costs, are insufficient to meet expected claims and expenses likely to arise after the end of the financial year from contracts concluded before that date. The expected claims are calculated having regard to events that have occurred prior to reporting date position date. Unexpired risks, surpluses and deficits, are aggregated where business classes are managed together.

Liability adequacy test
At each reporting date, the liability adequacy test is performed to ensure the adequacy of the contract liabilities net of Deferred Acquisition Costs (DAC). In performing these tests, current best estimates of future contractual cash flows and claims handling and administration costs are used. Any deficiency is immediately charged to profit or loss initially by writing off the DAC and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision). Any DAC written off as a result of this test is not reinstated.

Insurance contracts
The Group issues contracts that transfer insurance risk and / or financial risk. Insurance contracts are those that transfer significant insurance risk. Significant insurance risk is defined as the risk of the Group paying benefits on the occurrence of an insured uncertain event. Insurance contracts are classified as short term and include motor, fire, accident, engineering, farming and marine. Premium is recognised over the term of the contract on a proportionate basis. Claims are charged to profit and loss based on an estimated liability for compensation. These claims are not discounted as settlement generally occurs within a reasonable period of the claim. Investment contracts are those that transfer financial risk with no significant insurance risk.

Insurance assets
These comprise reinsurance receivables, deferred acquisition costs and insurance premium receivables. Impairment on these assets is calculated using the general approach under IAS 39, Financial Instruments recognition and measurement.

Reinsurance contracts held
Contracts entered into by the Group with the re-insurers whereby the Group recovers losses on insurance contracts issued are classified as reinsurance contracts held. The benefits to which the Group is entitled under its reinsurance contracts are recognised as reinsurance assets. The assets consist of short term balances due from re-insurers (classified as reinsurance receivables). The amounts recoverable are measured consistently in accordance with the terms of the reinsurance contract.

Deferred Acquisition costs
Acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned.

Lapses
Lapses relate to the termination of policies due to non-payment of premiums by policyholders. The subsidiary assesses the ability of an insured to settle outstanding amounts at each reporting date. Whenever circumstances or events indicate that the insured may not pay the outstanding amount, a lapse is effected and immediately recognised in profit or loss.

1.11 BASIS OF ACCOUNTING FOR UNDERWRITING ACTIVITIES *(continued)*

Reversals
Reversals relate to the voluntary termination of policies by policyholders. Reversals are recognised immediately in profit or loss on a pro-rata basis i.e. the unexpired term of a policy.

Premium taxes

Outstanding net amounts of levies recoverable from, or payable to, the taxation authorities are included as part of receivables or payables in the statement of financial position.

1.12 EMPLOYEE BENEFITS

Employee benefits are the considerations given by the Group in exchange for services rendered by employees. In summary such benefits are:

Short-term benefits
Benefits earned by employees under normal employment terms including salaries, wages, bonuses and leave pay. These are expensed as earned and accordingly provisions are made for unpaid bonuses and leave pay.

i) The Group and employees contribute towards the National Social Security Authority, a defined contribution fund. Costs applicable to this scheme are determined by the systematic recognition of legislated contributions.

ii) The Group operates a defined contribution scheme, the assets of which are held in a separate trustee-administered fund. The costs are charged to the profit or loss as incurred.

Employee share option scheme
The Group's Employee Share Options Scheme ("ESOS") is a share-based, equity-settled employee compensation scheme. The ESOS allows the employees of the Group to acquire the shares of the Group upon fulfilling certain conditions.

The total fair value of share options granted employees is recognised as an employee costs in profit or loss with the corresponding increase in the share option reserve in the equity section of the Group over the vesting period of the ESOS, taking into account the probability that the ESOS will vest.

The fair value of ESOS is measured at the grant date, taking into account, if relevant, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of the original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium account, or until the option expires, it will be transferred to the retained earnings of the Group. The proceeds received, net of any directly attributable transaction costs, are credited to equity when the options are exercised.

On cancellation of the Scheme, the Group account for the cancellation as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

1.13 TAXATION

Current taxation
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that were enacted or substantially enacted at reporting date

Capital gains tax
Deferred tax arising on valuation of investment property held for capital appreciation or sale of equity investment is computed at the applicable capital gains tax rates ruling at reporting date.

Value added tax
Revenue, expenses, and assets are recognised net of Value Added Tax (VAT) except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of the acquisition of the asset or as part of the expense item as applicable and receivables and payables that are stated with the amount of VAT included.

Deferred taxation
Deferred income tax is provided using the full liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

a) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

Deferred tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.13 TAXATION *(continued)*

Changes in tax rates
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. If the tax rate increases, deferred taxes will also increase, i.e. deferred tax assets and liabilities will increase. Similarly, if the tax rate decreases, deferred taxes also decrease. The effect of the change in tax rates is shown separately on the tax rate reconciliation and is accounted for in the Statement of profit or loss.

1.14 CONTINGENCIES AND COMMITMENTS

Transactions are classified as contingencies where the Group's obligations depend on uncertain future events and principally consist of guarantees provided for third party obligations underwritten. Items are classified as commitments where the Group commits itself to future transactions or if the items will result in the acquisition of assets.

1.15 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenue and expenses that relate to transactions with any of the Group's other components, for which discreet information is available. All operating segments' operating results are reviewed regularly by the Group Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

1.16 FIDUCIARY ACTIVITIES

The Group's Asset Management subsidiary acts as a trustee in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements as they are not assets and income of the Group.

1.17 FINANCIAL GUARANTEES

'Financial guarantees' are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions. Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of;

- the loss allowance determined in accordance with IFRS 9 and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15

Expected credit Losses arising from financial guarantees are included within provisions.

1.18 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

1.19 INTANGIBLE ASSETS

The Group's intangible assets mainly comprise computer software. Intangible assets are recorded at cost less any accumulated amortisation and impairment. The estimated useful life at the end of the reporting period for computer software is 3 years. The intangible assets are recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Bank and the cost of the asset can be measured reliably. The intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

1.20 LEASED ASSETS

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Group as a lessee
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

- Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

1.20 LEASED ASSETS *(continued)*

Group as a lessee *(continued)*

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the Statement of Financial Position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. All leased assets valued at or below ZWL $420,000 qualify for the low value lease exemption. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor.
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.21 SHARE CAPITAL

Ordinary share capital
Ordinary shares are classified as equity.

Repurchase of share capital (treasury shares)
When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are disposed the resulting surplus or deficit on the transaction is recognised directly in revenue reserve.

Cancellation of Treasury shares
When treasury shares are cancelled the Group's share capital and share premium is reduced with the effect of the cancellation. The resulting deficit on the transaction is recognised directly in revenue reserve.

1.22 REVALUATION RESERVE

The revaluation reserve represents all revaluation adjustments made to property and equipment.

1.23 RETAINED EARNINGS RESERVE

This reserve represents cumulative profits that have not been paid out as dividends.

1.24 SHARE PREMIUM

This represents capital raised through an issue of shares that exceeds the nominal value of the shares. This capital is not available for distribution to shareholders as dividends.

1.25 FAIR VALUE RESERVE

Fair value reserve represents changes in the fair value of unquoted equities that are irrevocably elected to be initially measured at value at fair value through other comprehensive income.

1.26 FUNCTIONAL CURRENCY TRANSLATION RESERVE

The Functional currency translation reserve represents the exchange rate gains or losses which were recognised on the date of change in Functional currency.

1.27 SHARE OPTION RESERVE

Share option reserve represents movements arising from the exercise of Employee share options including cancellation, expiry and modification of the share options.

1.28 RELATED PARTIES

The Group has related party relationships with its shareholders, subsidiaries, Directors and key management employees, and their close family members. Transactions with related parties are carried out on arm's length basis.

1.29 FAIR VALUE MEASUREMENT

The Group measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable input have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

  The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for financial assets or financial liabilities is not actively traded the Bank establishes fair value by using valuation techniques. These techniques include the use of arm's length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.30 LAND INVENTORY

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the Average cost method. The Group first calculates all the costs of the whole area of land inventory (purchase price and development costs) including roads in order to ascertain the total costs of bringing the whole area of land inventory to its resalable condition. When the total costs are obtained it is then divided by the total size of the land inventory (stands) in square meters. This will result in obtaining the cost of the land inventory per square meter. When the individual stands are now sold the cost of each stand is the result of multiplying the size of the individual stand by the cost per square meter.

1.31 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.32 GOVERNMENT GRANTS

Government grants are recorded as income and assets when there is a reasonable assurance that the Bank will comply with the conditions attaching to their receipt and it is probable that the grants will be receivable. As at 31 December 2020, the Bank held foreign currency denominated Legacy liabilities and nostro gap accounts amounting to US$167 966 227. These debts relate to liabilities denominated in US Dollars following the promulgation of SI33/2019, which designated the ZWL as the functional currency. During the year 2019 the Bank registered these liabilities with the RBZ and paid the required ZWL equivalent, to the Central Bank, at a rate of 1:1 in line with directives RU102/2019 and RU28/2019.

The undertaking by the RBZ to provide US Dollars to assist in settling these liabilities at an exchange rate of 1:1 was recognised as a Government Grant. The resulting outstanding grant receivable was accounted for at the closing interbank rate. On the liability side the legacy debts and nostro gap accounts were treated as deposits and translated to the functional currency at the closing interbank rate.

Income related to government grants is recognised on a systematic basis over periods necessary to match the grants with the related costs which they intend to compensate or cure. As such exchange gains and losses relating to the government grant and legacy liabilities and nostro gap accounts are reported in the statement of profit and loss under non-interest income.

Measurement
Government grants are initially measured at fair value and subsequently at amortised cost, in line with the measurement policy for the Bank's monetary assets classified and measured at amortised cost. Subsequent measurement takes into account expected credit losses.

The government grant receivable is denominated in US Dollars and has been translated to ZWL using the closing exchange rate in line with the treatment of monetary assets denominated in foreign currencies prescribed in IAS 21. During the period legacy debts and nostro gap accounts totalling US$6 617 688 have been settled through this arrangement.

The government grant receivable asset is classified as and measured at amortised cost. At initial recognition fair value was determined by reference to the Legacy Liabilities and nostro gap accounts linked to the asset. The asset will be used to settle any payment obligations that may accrue in the future related to the legacy liabilities and nostro gap accounts and as such its value at year end was derived from the maximum value of the liability as at the same date. The legacy Liabilities and nostro gap accounts will be settled using proceeds from the asset as and when these have been availed by the Reserve Bank of Zimbabwe. There is thus an alignment between the payment of the government grant receivable asset and the settlement of the legacy liabilities and nostro gap accounts, both in terms of amount of cash flows and timing. Consequently, as a result of the expected coincidence in settlement of both the grant receivable asset and the legacy liability and nostro gap accounts and the difficult in estimating the expected timing and cash flows of the asset and liability the asset has been measured at the same amount as the liability that it seeks to pay off.

1.33 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 *Insurance Contracts*
In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group expect the standard to impact the Annual financial statements beginning on or after 1 January 2023 and projects to identify the impact will be started in the coming year.

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

1.33 STANDARDS ISSUED BUT NOT YET EFFECTIVE *(continued)*

Reference to the Conceptual Framework – *Amendments to IFRS 3*
In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 *Levies*, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – *Amendments to IAS 16*
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – *Amendments to IAS 37*
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Subsidiary as a first-time adopter
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards.* The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards

process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendments are not expected to have a material impact on the Group.

IAS 41 *Agriculture* – Taxation in fair value measurements
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 *Agriculture.* The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Group.

IFRS 16 Covid-19 Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Early application is permitted. This amendment is expected to have no material impact on the Group.

1.2 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 18 May 2021. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
2.	**INTEREST**				
	Interest Income				
	Bankers acceptances	666	1 616	100	111
	Overdrafts	2 525 308	446 521	1 886 557	38 805
	Loans	1 836 254	526 341	938 686	65 860
	Mortgage loans	108 938	206 719	65 708	17 320
	Staff loans	36 674	46 083	30 278	3 168
	Securities investments	298 230	1 127 705	178 852	83 137
	Other investments	281 459	57 330	235 787	5 582
		5 087 529	**2 412 315**	**3 335 968**	**213 983**
	Interest expense				
	Call deposits	619	9 097	313	495
	Savings deposits	627 166	162 312	74 872	14 375
	Money market deposits	692 519	401 062	451 310	34 155
	Other offshore deposits	78 481	117 776	46 976	13 020
	Lease liability	1 748	7 288	1 139	128
		1 400 533	**697 535**	**574 610**	**62 173**
	NET INTEREST INCOME	**3 686 996**	**1 714 780**	**2 761 358**	**151 810**
3	**NET NON-INTEREST INCOME**				
	Net income from trading securities	33	21 707	15 326	3 532
	Fair value adjustments on financial instruments	(52 534)	(232 969)	374 155	11 631
	Fair value adjustments on investment properties	176 308	122 725	2 041 705	461 632
	Net income from foreign currency dealing	526 129	586 313	386 327	65 452
	Unrealised profit on foreign currency exchange	3 122 519	1 356 391	3 122 519	302 371
	Agro business income	4 246 701	2 088 187	3 147 984	463 928
	Functional currency change exchange gains	-	3 256 602	-	131 787
	Commission and fee income	2 117 145	2 599 858	1 626 110	274 891
	Profit/(loss) on disposal of property and equipment	368	(5 875)	(17 881)	(59)
	Profit/(loss) on disposal of investment property	(98 243)	1 192	9 251	428
	Bad debts recovered	181 548	116 760	172 101	14 162
	Property sales	61 648	159 150	41 890	15 184
	Lease income	47 412	39 715	34 671	3 933
	*Other operating income	293 382	60 589	212 646	8 891
		10 622 416	**10 170 345**	**11 166 804**	**1 757 763**
	*Other operating income consists of Dividend Income and Group Holiday Facility income.				
4	**Underwriting Income (Net)**				
	Gross premium insurance	931 868	892 754	644 205	90 829
	Reinsurance	(530 922)	(433 513)	(405 318)	(49 707)
	Net written premium	**400 946**	**459 241**	**238 887**	**41 122**
	Unearned premium	(17 605)	(18 413)	(70 575)	(13 805)
	Net earned premium	**383 341**	**440 828**	**168 312**	**27 317**
	Net commission(a)	(13 536)	(11 932)	(8 647)	(550)
	Net claims (b)	(81 549)	(117 725)	(59 005)	(11 758)
		288 256	**311 171**	**100 660**	**15 009**
(a)	**Net Commissions**				
	Commission received	128 438	111 289	97 187	12 509
	Commission paid	(144 023)	(121 111)	(106 598)	(12 788)
	Deferred acquisition costs	2 049	(2 110)	764	(271)
		(13 536)	**(11 932)**	**(8 647)**	**(550)**
(b)	**Net Claims**				
	Gross claims incurred	165 077	269 417	122 410	25 301
	Reinsurance claims	(103 443)	(168 602)	(79 376)	(17 058)
	Incurred but not yet reported claims	13 766	10 540	13 760	1 773
	Gross outstanding claims	15 530	10 697	11 592	2 707
	Reinsurance share of outstanding claims	(9 381)	(4 327)	(9 381)	(965)
		81 549	**117 725**	**59 005**	**11 758**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
5 OPERATING EXPENDITURE				
Staff costs	3 179 349	1 834 456	2 154 006	160 242
Administration expenses	1 948 756	2 598 053	1 675 385	373 411
Audit fees	55 189	36 192	49 004	4 524
Depreciation	268 590	262 653	143 408	25 663
Amortisation of intangible assets	23 404	19 895	14 915	1 198
Write offs of property and equipment	160	53 706	128	(93)
Write off of land Inventory	818	-	818	-
Property cost of sales	7 524	88 458	5 053	8 635
Write offs other assets	-	693	-	630
Write off intangible assets	300	-	175	-
Write off of investment properties	86 073	-	50 270	-
Write offs of right of use asset and lease liability	1 627	-	(896)	-
	5 571 790	**4 894 106**	**4 092 266**	**574 210**
Remuneration of directors and key management personnel (included in staff costs)				
Fees for services as directors	50 262	8 541	24 581	746
Pension and retirement benefits for past and present directors	30 577	10 056	14 954	879
Salaries and other benefits	468 659	234 218	229 201	20 462
	549 498	**252 815**	**268 736**	**22 087**

6. EMPLOYEE BENEFITS

Employee benefits are the consideration given by the Group in exchange for services rendered by employees. In summary such benefits are: -

Short term benefits

These are earned by employees under normal employment terms, including salaries and wages, bonuses and leave pay. These are expensed as earned and accordingly provisions are made for unpaid bonuses and leave pay.

Post-employment benefits

i) The Group and employees contribute towards the National Social Security Authority, a defined contribution fund. Costs applicable to this scheme are determined by the systematic recognition of legislated contributions.

ii) The Group operates a defined contribution scheme, the assets of which are held in a separate trustee administered fund. The costs are charged to the statement of comprehensive income as incurred.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
NSSA contributions	15 918	10 375	8 019	880
Defined contribution scheme	122 261	36 976	61 481	4 127

7. TAXATION

7.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.

Analysis of tax charge in respect of the profit for the year				
Current income tax charge	1 555 142	739 345	1 579 622	136 091
Deferred income tax	606 043	1 813 851	1 160 719	63 735
Income tax expense	**2 161 185**	**2 553 196**	**2 740 341**	**199 826**

7.2 Tax rate reconciliation

	%	%	%	%
Notional tax	24.00	25.00	24.00	25.00
Aids levy	0.72	0.75	0.72	0.75
Non deductible expenses	31.06	64.99	29.25	24.06
Exempt income	(21.66)	(21.69)	(19.25)	(27.39)
Tax credit	(0.06)	(0.06)	(0.06)	(0.09)
Effect of rebasing tax bases	(4.18)	-	(3.65)	-
Effect of changes in tax rate on deferred tax	-	(4.44)	-	(4.74)
Effective tax rate	**29.88**	**64.55**	**31.01**	**17.59**

Included in exempt income is income from government bills, mortgage housing income and dividend income.
Non-deductible expenses include expenditure on exempt income, excess pension costs, IAS 29 inflation effects and disallowable donations.

7.3 The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.

Revaluation of property and equipment	27 872	24 384	468 336	114 246
Unlisted equities	6 507	8 053	39 329	7 970
Total taxation relating to components of other comprehensive income	**34 379**	**32 437**	**507 665**	**122 216**

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the year.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by sum of the weighted average number of ordinary shares outstanding at the end of the year and the weighted average number of potentially dilutive ordinary shares.

The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
8.1	**Annualised earnings per share (ZWL cents)**				
	Basic	977.53	270.86	1 184.09	178.19
	Fully diluted	977.53	259.27	1 184.09	178.19
	Headline	964.81	261.81	897.89	111.23
8.2	**Earnings**				
	Basic (earnings attributable to holders of parent)	5 073 766	1 403 868	6 145 925	924 896
	Fully diluted	5 073 766	1 403 868	6 145 925	924 896
	Headline	5 007 747	1 356 984	4 660 403	577 354
	Number of shares used in calculations (weighted)				
	Basic	519 042	519 042	519 042	519 042
	Fully diluted	519 042	519 042	519 042	519 042
	Headline	519 042	519 042	519 042	519 042
8.3	**Reconciliation of denominators used for calculating basic and diluted earnings per share:**				
	Weighted average number of shares used for basic EPS	519 042	519 042	519 042	519 042
	Potentially dilutive shares employee share options	-	-	-	-
	Weighted average number of shares used for diluted EPS	**519 042**	**519 042**	**519 042**	**519 042**
8.4	**Headline Earnings**				
	Profit attributable to ordinary shareholders	5 073 766	1 403 868	6 145 925	924 896
	Adjusted to exclude re-measurements				
	Impairment on property and equipment and land inventory	160	53 706	128	(93)
	Write off of investment properties	86 073	-	50 270	-
	Write off of Intangible assets	300	-	175	-
	Write offs of right of use asset and lease liability	1 627	-	(896)	-
	Write off of land Inventory	818	-	818	-
	Disposal (gain)/loss on property and equipment	(368)	5 875	17 881	59
	Gains on investment properties valuation	(176 308)	(122 725)	(2 041 705)	(461 632)
	Tax relating to remeasurements	21 679	16 260	487 807	114 124
	Headline earnings	**5 007 747**	**1 356 984**	**4 660 403**	**577 354**

9. DIVIDENDS

Cash dividends on ordinary shares declared and paid:				
Interim dividend	153 520	29 099	121 520	5 565
Final Dividend	381 075	93 332	354 456	6 515
	534 595	**122 431**	**475 976**	**12 080**
Interim paid per share (cents)	29.41	10.63	23.28	1.07
Final dividend paid per share (cents)	73.00	5.47	67.90	0.95

Dividends are paid on shares held at the record date net of treasury shares held on the same date.

Proposed dividend on ordinary shares:				
Final dividend	1 500 000	538 303	1 500 000	120 000
Final dividend per share (cents)	287.37	103.12	287.37	22.99

Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 31 December 2020.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
10. BALANCES WITH BANKS AND CASH				
Cash	7 482 600	1 281 299	7 482 600	285 631
Nostro accounts	4 084 829	4 030 470	4 084 829	898 484
Balances with the Reserve Bank of Zimbabwe	7 653 728	4 693 448	7 653 728	1 046 277
RBZ Statutory reserve	530 969	761 977	530 969	169 862
	19 752 126	**10 767 194**	**19 752 126**	**2 400 254**

RBZ Statutory reserve balances relates to restricted liquid reserve, determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL.

	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
11. MONEY MARKET ASSETS				
Interbank Placements	7 582 644	1 001 047	7 582 644	223 156
RBZ Savings bonds	-	4 037	-	900
Accrued interest	13 560	1 333	13 560	297
Total gross money market assets	**7 596 204**	**1 006 417**	**7 596 204**	**224 353**
Expected credit loss	(12 483)	(844)	(12 483)	(188)
Total net money market assets	**7 583 721**	**1 005 573**	**7 583 721**	**224 165**
11.1 Maturity analysis				
The maturity analysis of money market assets is shown below.				
Between 0 and 3 months	7 596 204	995 521	7 596 204	221 924
Between 3 and 6 months	-	4 107	-	916
Between 6 and 12 months	-	6 789	-	1 513
	7 596 204	**1 006 417**	**7 596 204**	**224 353**
12. FINANCIAL SECURITIES				
Treasury bills	967 789	5 210 640	967 789	1 161 570
Savings bonds	-	897	-	200
Accrued interest	21 095	134 852	21 095	30 062
Total gross financial securities	**988 884**	**5 346 389**	**988 884**	**1 191 832**
Expected credit loss	(6 005)	(351)	(6 005)	(78)
Total net financial securities	**982 879**	**5 346 038**	**982 879**	**1 191 754**
12.1 Maturity analysis				
The maturity analysis of financial securities is shown below:				
Between 0 and 3 months	5 759	305 258	5 759	68 049
Between 3 and 6 months	5 651	51 846	5 651	11 558
Between 6 and 12 months	4 224	162 090	4 224	36 134
Between 1 and 5 years	62 752	678 361	62 752	151 222
Above 5 years	910 498	4 148 834	910 498	924 869
	988 884	**5 346 389**	**988 884**	**1 191 832**

Maturity analysis is based on the remaining period from 31 December 2020 to contractual maturity.

	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
13. LOANS AND ADVANCES TO CUSTOMERS				
Overdrafts	1 815 936	2 206 666	1 815 936	491 916
Commercial loans	10 456 692	2 075 987	10 456 692	462 785
Staff loans	1 215 987	256 978	1 215 987	57 286
Mortgage advances	480 816	592 680	480 816	132 122
Agro Business loans	15 047 438	9 479 672	15 047 438	2 113 237
Interest accrued	1 596 485	160 302	1 596 485	35 735
Total gross loans and advances to customers	**30 613 354**	**14 772 285**	**30 613 354**	**3 293 081**
Allowance for Expected Credit Loss (ECL)	(1 174 424)	(1 252 361)	(1 174 424)	(279 180)
Total net advances	**29 438 930**	**13 519 924**	**29 438 930**	**3 013 901**

	AUDITED				UNAUDITED			
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	%	RESTATED 31 DEC 2019 ZWL$ 000	%	HISTORICAL 31 DEC 2020 ZWL$ 000	%	HISTORICAL 31 DEC 2019 ZWL$ 000	%
13.1 Sectoral analysis:								
Private	2 115 948	7	824 492	6	2 115 948	7	183 798	6
Agriculture	16 929 591	55	10 165 171	69	16 929 591	55	2 266 050	69
Mining	3 086 141	10	554 226	4	3 086 141	10	123 550	4
Manufacturing	818 622	3	597 351	4	818 622	3	133 163	4
Distribution	6 021 239	20	1 380 830	9	6 021 239	20	307 819	9
Construction	54 555	-	36 888	-	54 555	-	8 223	-
Transport	72 148	-	55 186	-	72 148	-	12 302	-
Communication	2 919	-	4 509	-	2 919	-	1 005	-
Services	1 236 384	4	1 075 095	7	1 236 384	4	239 663	7
Financial organisations	275 807	1	78 537	1	275 807	1	17 508	1
	30 613 354	**100**	**14 772 285**	**100**	**30 613 354**	**100**	**3 293 081**	**100**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
13.2 Maturity analysis				
Less than 1 month	1 408 498	814 287	1 408 498	181 523
Between 1 and 3 months	12 171 368	76 147	12 171 368	16 975
Between 3 and 6 months	1 550 021	169 920	1 550 021	37 879
Between 6 months and 1 year	7 990 568	11 900 103	7 990 568	2 652 806
Between 1 and 5 years	6 173 855	1 076 209	6 173 855	239 912
More than 5 years	1 319 044	735 619	1 319 044	163 986
	30 613 354	**14 772 285**	**30 613 354**	**3 293 081**
Maturity analysis is based on the remaining period from 31 December 2020 to contractual maturity.				
13.3 Loans to directors and key management				
Included in advances are loans to Executive Directors and key management:-				
Opening balance	74 329	235 001	16 570	8 434
Advances made during the year	480 740	126 554	235 109	8 598
Monetary adjustment	(270 894)	(280 423)	-	-
Repayment during the year	(63 601)	(6 803)	(31 105)	(462)
Closing balance	**220 574**	**74 329**	**220 574**	**16 570**
Loans to employees				
Included in advances are loans to employees: -				
Opening balance	182 648	1 193 094	40 717	42 819
Advances made during the year	2 164 347	112 655	1 058 489	7 654
Monetary adjustment	(1 139 351)	(979 505)	-	-
Repayments during the year	(212 230)	(143 596)	(103 792)	(9 756)
Closing balance	**995 414**	**182 648**	**995 414**	**40 717**
13.4 Allowance for Expected Credit Loss (ECL)				
Opening balance	1 252 361	3 112 501	279 180	111 704
Credit loss expense on loans and advances	924 708	810 857	924 708	180 758
Interest in suspense	18 586	25 686	9 088	5 726
Monetary adjustment	(865 038)	(2 416 900)	-	-
Amounts written off during the year	(156 193)	(279 783)	(38 552)	(19 008)
Closing balance	**1 174 424**	**1 252 361**	**1 174 424**	**279 180**
13.5 Collateral				
Government Guarantee	15 047 438	9 479 674	15 047 438	2 113 237
Cash cover	1 448 024	14 723	1 448 024	3 282
Mortgage bonds	3 901 531	3 972 493	3 901 531	885 560
Notarial general covering bonds	10 922 495	7 373 241	10 922 495	1 643 664
	31 319 488	**20 840 131**	**31 319 488**	**4 645 743**
14. INSURANCE ASSETS				
Reinsurance unearned premium reserve	197 223	125 382	197 223	27 744
Reinsurance receivables	26 299	37 827	26 299	8 433
Deferred acquisition costs	50 223	36 709	50 223	7 106
Insurance premium receivables	352 045	157 400	352 045	35 088
Suspended premium	(1 588)	(340)	(1 588)	(76)
Impairment provision	(16 129)	(15 715)	(16 129)	(3 503)
	608 073	**341 263**	**608 073**	**74 792**
14.1 Reinsurance unearned premium reserve				
Opening balance	125 382	56 524	27 744	2 028
Written premiums	845 853	222 993	403 028	49 379
Premiums earned during the year	(774 012)	(154 135)	(233 549)	(23 663)
Closing balance	**197 223**	**125 382**	**197 223**	**27 744**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
14 .2	**Impairment provision on insurance assets**				
	Opening balance	15 715	29 938	3 503	1 074
	Charge for impairment on insurance receivables	15 439	11 006	15 439	2 454
	Monetary adjustment	(11 922)	(25 118)	-	-
	Amounts written off during the year	(3 103)	(111)	(2 813)	(25)
	Closing Balance	**16 129**	**15 715**	**16 129**	**3 503**

15. EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL INSTRUMENTS AND IMPAIRMENT ON INSURANCE ASSETS

The table below shows the (ECL) charges on financial instruments and charge for impairment on insurance assets for the period recorded in the Statement of Profit or Loss:

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Money market assets	12 295	831	–	–	–	–	12 295	831
Financial securities	5 926	107	–	–	–	–	5 926	107
Loans and advances to customers	859 063	780 438	47 059	(43 721)	18 586	74 140	924 708	810 857
Financial guarantees	(316)	3 561	–	–	(79)	(7)	(395)	3 554
Other commitments	–	174 472	–	–	–	–	–	174 472
Lease receivables	96	1	882	17	3 402	3 556	4 380	3 574
	877 064	**959 410**	**47 941**	**(43 704)**	**21 909**	**77 689**	**946 914**	**993 395**
Insurance assets impairment charge	15 439	11 006	–	–	–	–	15 439	11 006
Total	**892 503**	**970 416**	**47 941**	**(43 704)**	**21 909**	**77 689**	**962 353**	**1 004 401**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Money market assets	12 295	185	–	–	–	–	12 295	185
Financial securities	5 926	24	–	–	–	–	5 926	24
Loans and advances to customers	859 063	173 707	47 059	(9 476)	18 586	16 528	924 708	180 759
Financial guarantees	(316)	794	–	–	(79)	(1)	(395)	793
Other commitments	–	38 894	–	–	–	–	–	38 894
Lease receivables	96	–	882	2	3 402	793	4 380	795
	877 064	**213 604**	**47 941**	**(9 474)**	**21 909**	**17 320**	**946 914**	**221 450**
Insurance assets impairment charge	15 439	2 454	–	–	–	–	15 439	2 454
Total	**892 503**	**216 058**	**47 941**	**(9 474)**	**21 909**	**17 320**	**962 353**	**223 904**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
16.	**OTHER ASSETS**				
	Work in progress	-	2 087	-	466
	Prepayments and deposits	4 702 810	3 232 181	2 443 538	602 875
	Other receivables*	18 059 774	33 909 202	18 059 774	7 559 138
		22 762 584	**37 143 470**	**20 503 312**	**8 162 479**

*Included in other receivables is an amount of ZWL$15 304 770 460 (2019:ZWL$33 976 110 414) which relates to the government grant receivable from the Reserve Bank of Zimbabwe (RBZ). RBZ will provide foreign currency to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1.

The government grant receivable is denominated in US Dollars and has been translated to ZWL using the closing exchange rate in line with the treatment of monetary assets denominated in foreign currencies prescribed in IAS 21.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
17. LAND INVENTORY				
Opening balance	3 302 840	1 530 308	139 034	54 921
Additions	413 439	219 144	340 685	19 523
Foreign currency translation movement	-	1 985 721	-	80 889
Transfers	-	(232 746)	-	(8 403)
Disposals	(12 526)	-	(8 262)	-
Write offs	-	(199 587)	-	(7 421)
Impairment	(818)	-	(818)	(475)
Closing balance	**3 702 935**	**3 302 840**	**470 639**	**139 034**

An impairment loss of ZWL818,290 was recognised on Land inventory in respect of a write down to Net realisable value.

	AUDITED		UNAUDITED	
18. EQUITY INVESTMENTS				
Opening balance	951 399	724 470	212 089	26 000
Investment in equities during the year	962 872	82 787	583 357	5 027
Investment disposed during the year	(47 463)	(39 425)	(34 103)	(5 235)
Foreign currency translation movement	-	248 488	-	10 042
Fair value adjustments - Profit or loss	(52 534)	(232 969)	374 155	11 631
Fair value adjustments - Other comprehensive income	109 556	168 048	788 332	164 624
Closing balance	**1 923 830**	**951 399**	**1 923 830**	**212 089**
18.1 Investments in equities				
Unlisted investments	1 028 306	857 548	1 028 306	191 167
Listed investments	895 524	93 851	895 524	20 922
	1 923 830	**951 399**	**1 923 830**	**212 089**
Equity investment designated at fair value through profit or loss	895 524	93 851	895 524	20 922
Equity investment designated at fair value through other comprehensive income	1 028 306	857 548	1 028 306	191 167
	1 923 830	**951 399**	**1 923 830**	**212 089**

The Group's listed investments are mandatorily measured at Fair value through Profit or loss. The Group does not have any other financial assets that have been designated as such upon initial recognition.

	AUDITED				UNAUDITED			
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	%	RESTATED 31 DEC 2019 ZWL$ 000	%	HISTORICAL 31 DEC 2020 ZWL$ 000	%	HISTORICAL 31 DEC 2019 ZWL$ 000	%
18.2 Investment in subsidiaries								
CBZ Bank Limited	608 544	100	608 544	100	21 840	100	21 840	100
CBZ Asset Management (Private) Limited	55 392	100	55 392	100	1 988	100	1 988	100
CBZ Building Society	532 618	100	532 618	100	19 115	100	19 115	100
CBZ Insurance (Private) Limited	118 396	98.4	62 968	98.4	23 615	98.4	2 260	98.4
CBZ Properties (Private) Limited	133 166	100	133 166	100	4 779	100	4 779	100
CBZ Life Assurance (Private) Limited	38 675	100	38 675	100	1 388	100	1 388	100
CBZ Asset Management Mauritius	2 477	100	2 477	100	89	100	89	100
CBZ Risk Advisory Services (Private) Limited	37 479	100	37 479	100	1 345	100	1 345	100
Red Sphere Finance (Private) Limited	240 452	100	14 496	100	210 520	100	520	100
CBZ Agro Yield (Private) Limited	6 141	100	6 141	100	1 000	100	1 000	100
	1 773 340		**1 491 956**		**285 679**		**54 324**	

19 CATEGORIES OF FINANCIAL ASSETS

AUDITED INFLATION ADJUSTED

	At fair value through profit or loss ZWL$ 000	At fair value through OCI ZWL$ 000	At amortised cost ZWL$ 000	Total carrying amount ZWL$ 000
31 Dec 2020				
Balances with banks and cash	-	-	19 752 126	19 752 126
Money market assets	-	-	7 583 721	7 583 721
Financial securities	-	-	982 879	982 879
Loans and advances to customers	-	-	29 438 930	29 438 930
Equity investments	895 524	1 028 306	-	1 923 830
Other assets	-	-	18 059 774	18 059 774
TOTAL ASSETS	**895 524**	**1 028 306**	**75 817 430**	**77 741 260**
31 Dec 2019				
Balances with banks and cash	-	-	10 767 194	10 767 194
Money market assets	-	-	1 005 573	1 005 573
Financial securities	-	-	5 346 038	5 346 038
Loans and advances to customers	-	-	13 519 924	13 519 924
Equity investments	93 851	857 548	-	951 399
Other assets	-	-	33 909 202	33 909 202
TOTAL ASSETS	**93 851**	**857 548**	**64 547 931**	**65 499 330**

UNAUDITED HISTORICAL

	At fair value through profit or loss ZWL$ 000	At fair value through OCI ZWL$ 000	At amortised cost ZWL$ 000	Total carrying amount ZWL$ 000
31 Dec 2020				
Balances with banks and cash	-	-	19 752 126	19 752 126
Money market assets	-	-	7 583 721	7 583 721
Financial securities	-	-	982 879	982 879
Loans and advances to customers	-	-	29 438 930	29 438 930
Equity investments	895 524	1 028 306	-	1 923 830
Other assets	-	-	18 059 774	18 059 774
TOTAL ASSETS	**895 524**	**1 028 306**	**75 817 430**	**77 741 260**
31 Dec 2019				
Balances with banks and cash	-	-	2 400 254	2 400 254
Money market assets	-	-	224 165	224 165
Financial securities	-	-	1 191 754	1 191 754
Loans and advances to customers	-	-	3 013 901	3 013 901
Equity investments	20 922	191 167	-	212 089
Other assets	-	-	7 559 138	7 559 138
TOTAL ASSETS	**20 922**	**191 167**	**14 389 212**	**14 601 301**

20. FAIR VALUE MEASUREMENT

20.1 The following table presents items of the Statement of Financial Position which are recognised at fair value:

AUDITED INFLATION ADJUSTED

	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000
Equity investments	895 524	93 851	–	–	1 028 306	857 548	1 923 830	951 399
Land and Buildings	–	–	3 008 503	2 931 837	–	–	3 008 503	2 931 837
Investment properties	–	–	2 748 368	2 505 734	–	–	2 748 368	2 505 734
Total assets at fair value	**895 524**	**93 851**	**5 756 871**	**5 437 571**	**1 028 306**	**857 548**	**7 680 701**	**6 388 970**

Level 2 valuation techniques are highlighted on note 20 for Property and Equipment and note 21 for Investment properties.

UNAUDITED HISTORICAL

	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000
Equity investments	895 524	20 922	–	–	1 028 306	191 167	1 923 830	212 089
Land and Buildings	–	–	3 008 503	653 574	–	–	3 008 503	653 574
Investment properties	–	–	2 748 368	558 586	–	–	2 748 368	558 586
Total assets at fair value	**895 524**	**20 922**	**5 756 871**	**1 212 160**	**1 028 306**	**191 167**	**7 680 701**	**1 424 249**

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities were also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

The following table shows the valuation techniques used in measuring the fair value of unquoted equities as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
• Earnings Multiple	• Liquidity discount • GDP Growth	The fair values would increase/ decrease if : • The GDP growth was higher or lower • The Liquidity discount was higher or lower

If the fair value adjustment had been 5% up or down, the Group's other comprehensive income would be ZWL$ 5 152 450 and the Statement of Financial Position would be ZWL$ 5 477 800 higher or lower than the reported position.

21. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 DEC 2020									
COST									
Opening balance	630 988	3 000 033	49 743	183 808	868 737	386 514	247 695	328 875	5 696 393
Additions	–	44 739	5 167	11 714	154 535	7 642	10 742	388 451	622 990
Revaluation gain	58 852	46 350	–	–	–	–	–	–	105 202
Disposals	(288 707)	–	–	–	(720)	(64)	(913)	(7 652)	(298 056)
Transfers to intangible assets	–	–	–	–	–	–	–	(98 361)	(98 361)
Transfers to Investment Properties	–	–	–	–	–	–	–	(28 627)	(28 627)
Write offs	–	(7 231)	–	–	(166)	–	–	–	(7 397)
Transfers(PPE Inter–categories)	–	–	–	3 068	106 601	3 634	348	(113 651)	–
Closing balance	**401 133**	**3 083 891**	**54 910**	**198 590**	**1 128 987**	**397 726**	**257 872**	**469 035**	**5 992 144**
Accumulated depreciation									
Opening balance	–	11 336	20 022	149 255	517 827	278 687	135 014	–	1 112 141
Charge for the period	–	199 740	3 114	8 281	39 782	10 562	7 111	–	268 590
Disposals	–	–	–	–	(582)	(57)	(507)	–	(1 146)
Write offs	–	(1 642)	–	–	(7)	–	–	–	(1 649)
Revaluation	–	(178 913)	–	–	–	–	–	–	(178 913)
Closing balance	**–**	**30 521**	**23 136**	**157 536**	**557 020**	**289 192**	**141 618**	**–**	**1 199 023**
Net Book Value	**401 133**	**3 053 370**	**31 774**	**41 054**	**571 967**	**108 534**	**116 254**	**469 035**	**4 793 121**

AUDITED INFLATION ADJUSTED

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 DEC 2019									
COST									
Opening balance	237 026	1 278 335	28 101	181 546	775 130	347 119	207 592	96 384	3 151 233
Foreign currency translation movement	315 743	1 715 999	–	–	–	–	–	–	2 031 742
Additions	–	104 693	21 642	10 405	106 715	41 661	40 037	263 882	589 035
Revaluation gain	78 219	(35 367)	–	–	–	–	–	–	42 852
Impairments	–	(56 517)	–	–	(29)	–	–	–	(56 546)
Disposals	–	–	–	(8 143)	(21 983)	(5 571)	(8 293)	–	(43 990)
Transfers to intangible assets	–	–	–	–	–	–	–	(6 930)	(6 930)
Transfers to other assets	–	–	–	–	–	–	–	(1 845)	(1 845)
Transfers to Investment Properties	–	(8 081)	–	–	–	–	–	–	(8 081)
Write offs	–	–	–	–	(389)	(589)	(99)	–	(1 077)
Transfers(PPE Inter–categories)	–	971	–	–	9 293	3 894	8 458	(22 616)	–
Closing balance	**630 988**	**3 000 033**	**49 743**	**183 808**	**868 737**	**386 514**	**247 695**	**328 875**	**5 696 393**
Accumulated depreciation & impairment									
Opening balance	–	–	16 753	144 709	447 383	263 090	121 812	–	993 747
Charge for the period	–	118 002	3 269	11 966	90 490	21 064	17 862	–	262 653
Disposals	–	–	–	(7 420)	(19 683)	(4 937)	(4 574)	–	(36 614)
Write offs	–	–	–	–	(350)	(530)	(86)	–	(966)
Revaluation	–	(103 728)	–	–	–	–	–	–	(103 728)
Impairments	–	(2 938)	–	–	(13)	–	–	–	(2 951)
Closing balance	**–**	**11 336**	**20 022**	**149 255**	**517 827**	**278 687**	**135 014**	**–**	**1 112 141**
Net Book Value	**630 988**	**2 988 697**	**29 721**	**34 553**	**350 910**	**107 827**	**112 681**	**328 875**	**4 584 252**

UNAUDITED HISTORICAL

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 DEC 2020									
COST									
Opening balance	140 662	658 304	3 587	7 533	42 618	16 332	11 850	33 980	914 866
Additions	–	336	31 035	3 014	120 266	4 903	5 523	314 315	479 392
Revaluation gain	567 171	2 321 910	–	–	–	–	–	–	2 889 081
Disposals	(306 700)	–	–	–	(81)	(9)	(50)	(4 191)	(311 031)
Transfers to intangible assets	–	–	–	–	–	–	–	(97 971)	(97 971)
Transfers to investment properties	–	–	–	–	–	–	–	(2 232)	(2 232)
Write offs	–	(4 400)	–	–	(134)	–	–	–	(4 534)
Transfers(PPE Inter–categories)	–	–	–	1 961	89 159	2 073	348	(93 541)	–
Closing balance	**401 133**	**2 976 150**	**34 622**	**12 508**	**251 828**	**23 299**	**17 671**	**150 360**	**3 867 571**
Accumulated depreciation									
Opening balance	–	1 182	754	5 416	19 020	10 132	4 923	–	41 427
Charge for the period	–	118 283	415	1 236	20 376	1 931	1 167	–	143 408
Disposals	–	–	–	–	(59)	(8)	(28)	–	(95)
Write offs	–	(1 668)	–	–	(6)	–	–	–	(1 674)
Revaluation	–	(105 688)	–	–	–	–	–	–	(105 688)
Closing balance	**–**	**12 109**	**1 169**	**6 652**	**39 331**	**12 055**	**6 062**	**–**	**77 378**
Net Book Value	**401 133**	**2 964 041**	**33 453**	**5 856**	**212 497**	**11 244**	**11 609**	**150 360**	**3 790 193**

UNAUDITED HISTORICAL

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 DEC 2019									
COST									
Opening balance	8 507	45 878	1 008	6 515	27 818	12 458	7 450	3 459	113 093
Foreign currency translation movement	12 760	69 347	–	–	–	–	–	–	82 107
Additions	–	6 818	2 579	1 310	15 271	3 955	4 398	31 965	66 296
Revaluation surplus	119 395	536 516	–	–	–	–	–	–	655 911
Disposals	–	–	–	(292)	(789)	(200)	(298)	–	(1 579)
Transfers to intangible assets	–	–	–	–	–	–	–	(265)	(265)
Transfers to other assets	–	–	–	–	–	–	–	(367)	(367)
Transfers to investment properties	–	(290)	–	–	–	–	–	–	(290)
Write offs	–	–	–	–	(15)	(21)	(4)	–	(40)
Transfers(PPE Inter–categories)	–	35	–	–	333	140	304	(812)	–
Closing balance	**140 662**	**658 304**	**3 587**	**7 533**	**42 618**	**16 332**	**11 850**	**33 980**	**914 866**
Accumulated depreciation & impairment									
Opening balance	–	–	601	5 193	16 056	9 442	4 372	–	35 664
Charge for the period	–	19 738	153	488	3 681	887	716	–	25 663
Disposals	–	–	–	(265)	(704)	(178)	(162)	–	(1 309)
Write offs	–	–	–	–	(13)	(19)	(3)	–	(35)
Revaluation	–	(18 556)	–	–	–	–	–	–	(18 556)
Closing balance	**–**	**1 182**	**754**	**5 416**	**19 020**	**10 132**	**4 923**	**–**	**41 427**
Net Book Value	**140 662**	**657 122**	**2 833**	**2 117**	**23 598**	**6 200**	**6 927**	**33 980**	**873 439**

Properties were revalued on an open market basis by an internal professional valuer, as at 31 December 2020 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards using the methodology noted below:

In determining the market values of the subject properties, the following was considered:

- Comparable market evidence which comprised of complete transactions as well as transactions where offers had been made but the transactions had not been finalised.
- Professional judgement was exercised to take cognisance of the fact that properties in the transactions were not exactly comparable in terms of size, quality and location to the properties owned by the Group.
- The reasonableness of the market values of commercial properties so determined, per above bullet, was assessed by reference to the properties in the transaction.
- The values per square metre of lettable spaces for both the subject properties and comparables were analysed.
- With regards to the market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which has been sold or rented out. The procedure was performed as follows:
  i. Surveys and data collection on similar past transactions.
  ii. Analysis of collected data.

- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties. Adjustments were made to the following aspects:
  a) Age of property – state of repair and maintenance,
  b) Aesthetic quality – quality of fixtures and fittings,
  c) Structural condition – location,
  d) Accommodation offered – size of land.

The maximum useful lives are as follows:

Motor vehicles	3 – 5 years
Computer equipment	5 years
Leasehold improvements	10 years
Furniture and fittings	10 years
Buildings	40 years

The carrying amount of buildings would have been ZWL$ 836,522,224 (December 2019: ZWL$ 819,207,018) had they been carried at cost.

Further details on fair valuation hierarchy are provided in the Group's annual report for the year ended 31 December 2020.

If the fair value adjustment had been 5% up or down, the Group's other Comprehensive Income would have been ZWL$ 12,812, 150 (31 December 2019: 5,517,275) higher or lower the reported position.

Properties was tested for impairment through comparison with the open market values determined by independent valuers.

Included in property and equipment are amounts relating to Right of use assets for buildings that are leased by the Group for periods more than one year. The buildings are used by the Group for its various branches and operations.

The information about the leases for which the Group is a lessee is presented below,

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
21.1a	**Right of Use Assets**				
	Opening balance	57 641	-	3 548	-
	Additions	44 163	68 977	27 334	4 730
	Write offs	(5 589)	-	(2 732)	-
	Depreciation charge for the period	(20 827)	(11 336)	(8 085)	(1 182)
	Closing balance	**75 388**	**57 641**	**20 065**	**3 548**
21.1b	**Lease liability**				
	Opening balance	17 944	-	4 000	-
	Additions	44 163	68 977	27 334	4 730
	Write-offs	(3 962)	-	(3 628)	-
	Interest	1 748	7 288	1 139	128
	Repayment	(13 290)	(14 930)	(7 701)	(858)
	Monetary adjustment	(25 459)	(43 391)	-	-
	Closing balance	**21 144**	**17 944**	**21 144**	**4 000**
21.1c	**Lease liability maturity analysis**				
	Less than one month	749	656	749	146
	One to three months	1 499	1 755	1 499	391
	Three to six months	2 248	1 955	2 248	436
	Six to twelve months	4 498	3 741	4 498	834
	One to five years	17 048	12 255	17 048	2 732
		26 042	**20 362**	**26 042**	**4 539**
21.1d	**Amounts recognised in Statement of Profit or Loss**				
	Interest on lease liabilities	1 748	7 288	1 139	128
	Depreciation	20 827	11 336	8 085	1 182
	Expenses relating to leases of low value assets	-	345	-	26
		22 575	**18 969**	**9 224**	**1 336**
21.1e	**Amounts recognised in statement of cash flow**	**13 290**	**14 930**	**7 701**	**858**
22.	**INVESTMENT PROPERTIES**				
	Opening balance	2 505 735	1 046 528	558 586	37 559
	Additions	301 220	80 292	236 157	5 829
	Disposals	(177 449)	(869)	(40 042)	(31)
	Transfer from property and equipment	28 627	8 081	2 232	290
	Write offs	(86 073)	-	(50 270)	-
	Foreign currency translation movement	-	1 248 978	-	53 307
	Fair valuation gain	176 308	122 725	2 041 705	461 632
	Closing balance	**2 748 368**	**2 505 735**	**2 748 368**	**558 586**

The carrying amount of the investment properties is the fair value of the properties as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and also in reference to the rental yields applicable to similar property. The properties were valued as at 31 December 2020.

The rental income derived from investment properties amounted to ZWL$47 412 000 (December 2019: ZWL$39 715 000) and direct Operating expenses amounted to ZWL$ 1 843 018 (December 2019: ZWL$2 163 385). All the Group's lettable Investment properties were occupied as at 31 December 2020.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL$ 6 968 044 higher or lower the reported position the Statement of Financial Position would be ZWL$8 815 400 higher or lower than the reported position.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
22.1	**Lease income maturity analysis**				
	Up to one year	38 722	48 406	38 722	10 791
	Between 1 and 5 years	197 845	216 294	197 845	48 217
	Total Undiscounted Lease payments	**236 567**	**264 700**	**236 567**	**59 008**

23. INTANGIBLE ASSETS

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
At cost	309 966	220 944	108 425	9 665
Accumulated amortisation	(186 437)	(174 108)	(21 223)	(6 741)
	123 529	**46 836**	**87 202**	**2 924**
Movement in intangible assets				
Opening balance	46 836	44 964	2 924	1 614
Additions	2 036	14 837	1 397	2 243
Transfer from property and equipment	98 361	6 930	97 971	265
Write offs	(300)	-	(175)	-
Amortisation charge	(23 404)	(19 895)	(14 915)	(1 198)
Closing balance	**123 529**	**46 836**	**87 202**	**2 924**

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets, which comprise computer software, are amortised over a period of 3 years.

24. DEFERRED TAXATION

24.1 Deferred tax asset

Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences, unused tax losses and unused tax credits.

	INFLATION ADJUSTED AUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000
Opening balance	475 801	1 139 180	-	(127 903)	475 801	1 011 277
Assessed losses	10 125	16 022	-	-	10 125	16 022
Impairments and provisions	(56 400)	(292 379)	-	-	(56 400)	(292 379)
Property and equipment	-	-	-	127 903	-	127 903
Tax claimable impairments	(65 020)	(386 684)	-	-	(65 020)	(386 684)
Other	96 984	(338)	-	-	96 984	(338)
Closing balance	**461 490**	**475 801**	**-**	**-**	**461 490**	**475 801**

	HISTORICAL UNAUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000
Opening balance	106 042	40 883	-	(4 590)	106 042	36 293
Assessed Losses	20 640	3 572	-	-	20 640	3 572
Impairments and provisions	206 868	52 746	-	-	206 868	52 746
Intangible assets	5 819	(29)	-	-	5 819	(29)
Property and equipment	-	1 238	-	4 590	-	5 828
Prepayments	-	3	-	-	-	3
Equity investments	-	740	-	-	-	740
Tax claimable impairments	28 047	8 343	-	-	28 047	8 343
Investment properties	-	(39)	-	-	-	(39)
Other	96 416	(1 415)	-	-	96 416	(1 415)
Closing balance	**463 832**	**106 042**	**-**	**-**	**463 832**	**106 042**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
The deferred tax asset balances included in the statement of financial position are comprised of:				
Assessed losses	27 158	17 033	24 248	3 608
Credit loss provisions	282 603	339 003	282 603	75 735
Intangible assets	-	-	5 819	-
Tax claimable impairments	54 746	119 765	54 745	26 699
Other	96 983	-	96 417	-
Closing balance	**461 490**	**475 801**	**463 832**	**106 042**

24.2 Deferred tax liability

Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.

	INFLATION ADJUSTED AUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000
Opening balance	1 231 193	80 723	198 120	37 780	1 429 313	118 503
Impairments and provisions	(782)	-	-	-	(782)	-
Intangible assets	19 666	2 811	-	-	19 666	2 811
Prepayments	(520)	431	-	-	(520)	431
Equity investments	574	7 212	6 507	8 053	7 081	15 265
Property and equipment	(180 260)	372 742	27 872	152 287	(152 388)	525 029
Investment properties	(29 526)	224 313	-	-	(29 526)	224 313
Other	782 577	542 961	-	-	782 577	542 961
Closing balance	**1 822 922**	**1 231 193**	**232 499**	**198 120**	**2 055 421**	**1 429 313**

	HISTORICAL UNAUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000
Opening balance	134 289	2 934	125 663	1 319	259 952	4 253
Impairments and provisions	-	174	-	-	-	174
Intangible assets	(11)	88	-	-	(11)	88
Prepayments	(9)	9	-	-	(9)	9
Equity investments	1 399	336	39 329	7 970	40 728	8 306
Property and equipment	(288 267)	(13 705)	468 336	114 247	180 069	100 542
Investment properties	198 586	62 829	-	-	198 586	62 829
Other	1 606 810	81 624	-	2 127	1 606 810	83 751
Closing balance	**1 652 797**	**134 289**	**633 328**	**125 663**	**2 286 125**	**259 952**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
The deferred tax liability balances included in the statement of financial position are comprised of:				
Impairments and provisions	-	782	-	174
Intangible assets	21 673	2 008	77	89
Prepayments	-	520	-	9
Equity investments	50 381	43 300	50 381	9 653
Property and equipment	420 001	572 389	280 906	100 837
Investment properties	264 025	293 551	264 025	65 439
Other	1 299 341	516 763	1 690 736	83 751
Closing balance	**2 055 421**	**1 429 313**	**2 286 125**	**259 952**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
25. DEPOSITS				
Call deposits	80 398	55 461	80 398	12 364
Savings and other deposits	49 817 450	29 927 206	49 817 450	6 671 460
Wholesale Deposits	4 484 122	23 872 932	4 484 122	5 321 823
Money market deposits	10 148 709	3 927 272	10 148 709	875 479
Lines of credit	508 332	753 245	508 332	167 916
Accrued interest	147 904	71 762	147 904	15 997
	65 186 915	**58 607 878**	**65 186 915**	**13 065 039**
25.1 Deposits by type				
Retail	3 950 260	3 840 042	3 950 260	856 033
Corporate	50 446 513	50 035 719	50 446 513	11 154 108
Money market	10 277 415	3 978 687	10 277 415	886 941
Lines of credit	512 727	753 430	512 727	167 957
	65 186 915	**58 607 878**	**65 186 915**	**13 065 039**

Lines of credit relate to borrowings from foreign banks or financial institutions. These have an average tenure of 2.8 years with an average interest rate of 9.2% and are secured by a variety of instruments which include lien over bank accounts, guarantees, treasury bills and sub borrower securities.

25.2 Settlement of legacy liabilities and nostro gap accounts

Included in the deposits balance above, are amounts that are denominated in USD amounting to US$167 966 227 (December 2019: US$ 451 551 474) (being legacy liabilities of US$52 986 052 (December 2019: US$318 062 662) and nostro gap accounts of US$114 980 175 (December 2019: US$133 488 811)) which are shown at ZWL$13 737 386 593 (December 2019: ZWL$19 843 383 072). These foreign denominated liabilities, which are payable on demand, are subject to a special settlement arrangement with the RBZ ,wherein the Reserve Bank of Zimbabwe (RBZ) will provide foreign currency gradually to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date USD17 582 913 (December 2019: USD10 965 225) has been made available under this arrangement, demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.

The Group has however identified key risks attendant to the legacy liabilities and nostro gap accounts which risks are noted below.

i) ***The risk that a significant portion (or all) gets recalled, for which the Group is unable to settle without immediate assistance from the Reserve Bank of Zimbabwe.,***

The Group draws attention to the nature of the creditors constituting the liability and its assessment the likelihood of settlement being required simultaneously:

The Group draws comfort from the fact that as at 31 December 2020 it had cash and cash equivalents of US$ 214,264,064 which amounts are greater than the total legacy debts of US$ 167 966 227.Therefore any liability calls can be funded from these balances.
While the Group acknowledges that the timing of outflows of these liabilities, as well as the timing of available support from the Reserve Bank of Zimbabwe, is largely outside of their control, management continues to actively engage the counterparties to influence both the timing and amount of the potential calls and also continues to actively manage the retention of foreign export proceeds to manage this exposure.

ii) ***The risk that no foreign currency, or insufficient currency is made available from the Reserve Bank, thus making the guarantee void and the call falling back on the Group.***

The group acknowledges that in the event of a call of a portion (or all) of these liabilities at a time when support from the Reserve Bank of Zimbabwe is not immediately available, the group would need to meet the repayments from its own resources. However, the Group draws comfort from the fact that as at 31 December 2020 it had cash and cash equivalents of US$214,264,064 which amounts are greater than the total legacy debts of US$167 966 227.Therefore any liability calls will be funded from these balances.

iii) ***The risk on capital posed by the significant and continued depreciation of the local currency against the US dollar.***

Given the current foreign currency shortages in the market and in the event that the required support from the Reserve Bank of Zimbabwe is not available when the group is potentially required to make a repayment of any of these debts, the group may be required to fund the repayment itself from its net assets. The amount required by the group to fund any such repayment will move in line with any fluctuations of the ZWL: USD exchange rate.

The availed government grant and the Group's own foreign currency assets addresses the issue of foreign exchange risk as the value of these assets exceed the total of legacy liabilities and nostro gap accounts and other foreign denominated liabilities. The exchange losses on the foreign denominated liabilities are offset by the exchange gains on the government grant asset and the other foreign denominated assets.

In the event that all the risks noted above materialise despite management's mitigating efforts and the debt is called in its entirety, and the funding is not immediately available from the Reserve Bank of Zimbabwe despite their guarantee, the group would potentially have a significant gap in its liquidity and would be required to engage with its counterparties to negotiate repayment and to also engage with the Government of Zimbabwe for assistance in this regard. The potential liquidity gap can be derived from note 38.8 to the financial statements if one excludes the government grant disclosed within Other Assets in the "less than one month" bucket.

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	%	RESTATED 31 DEC 2019 ZWL$ 000	%	HISTORICAL 31 DEC 2020 ZWL$ 000	%	HISTORICAL 31 DEC 2019 ZWL$ 000	%
25.3	**Sectoral Analysis**								
	Private	3 705 026	6	2 193 202	4	3 705 026	6	488 915	4
	Agriculture	2 829 363	4	971 684	2	2 829 363	4	216 611	2
	Mining	1 474 321	2	329 097	1	1 474 321	2	73 363	1
	Manufacturing	6 843 685	10	2 737 742	5	6 843 685	10	610 305	5
	Distribution	9 855 322	15	20 657 446	35	9 855 322	15	4 605 018	35
	Construction	1 959 379	3	687 690	1	1 959 379	3	153 302	1
	Transport	1 339 843	2	471 939	1	1 339 843	2	105 206	1
	Communication	525 488	1	200 795	-	525 488	1	44 762	-
	Services	34 595 380	54	22 748 700	38	34 595 380	54	5 071 206	38
	Financial organisations	1 993 098	3	7 496 216	13	1 993 098	3	1 671 078	13
	Financial and investments	66 010	-	113 367	-	66 010	-	25 272	-
		65 186 915	**100**	**58 607 878**	**100**	**65 186 915**	**100**	**13 065 038**	**100**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
25.4	**Maturity analysis**				
	Less than 1 month	57 097 770	55 092 928	57 097 770	12 281 476
	Between 1 and 3 months	1 550 113	641 585	1 550 113	143 024
	Between 3 and 6 months	1 477 467	141 915	1 477 467	31 636
	Between 6 months and 1 year	4 486 013	1 924 419	4 486 013	428 997
	Between 1 and 5 years	570 215	786 855	570 215	175 408
	More than 5 years	5 337	20 176	5 337	4 497
		65 186 915	**58 607 878**	**65 186 915**	**13 065 038**

Maturity analysis is based on the remaining period from 31 December 2020 to contractual maturity.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
26. INSURANCE LIABILITIES				
Reinsurance payables (a)	189 895	77 868	189 895	17 358
Gross outstanding claims (b)	32 245	27 582	32 245	6 149
Gross unearned premium reserve (c)	281 382	128 111	281 382	28 559
Deferred reinsurance acquisition reserve (d)	49 485	31 994	49 485	7 132
	553 007	**265 555**	**553 007**	**59 198**
26.1 Insurance contract provisions				
(a) Reinsurance payables				
Opening balance	77 868	36 911	17 358	1 325
Premiums ceded during the year	528 160	427 809	403 033	49 295
Reinsurance paid	(302 057)	(236 228)	(230 496)	(33 262)
Monetary adjustment	(114 076)	(150 624)	-	-
Closing balance	**189 895**	**77 868**	**189 895**	**17 358**
(b) Gross outstanding claims provision				
Opening balance	27 582	79 979	6 149	2 870
Claims incurred	136 513	110 451	101 275	24 622
Incurred but not yet reported claims provision	13 751	9 680	13 751	1 585
Claims paid	(119 871)	(102 850)	(88 930)	(22 928)
Monetary adjustment	(25 730)	(69 678)	-	-
Closing balance	**32 245**	**27 582**	**32 245**	**6 149**
(c) Gross premium reserve				
Opening balance	128 111	120 296	28 559	4 317
Written premiums	913 146	688 450	608 879	65 493
Premiums earned during the year	(759 875)	(680 635)	(356 056)	(41 251)
Closing balance	**281 382**	**128 111**	**281 382**	**28 559**

(d) Deferred reinsurance acquisition revenue

	AUDITED INFLATION ADJUSTED		
	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
31 Dec 2020			
Opening balance	31 995	30 623	1 372
Written premiums	127 879	136 513	(8 634)
Earned during the year	(110 778)	(117 651)	6 873
Closing balance	**49 096**	**49 485**	**(389)**
31 Dec 2019			
Opening balance	14 713	15 889	(1 176)
Written premiums	110 184	107 183	3 001
Earned during the year	(92 902)	(92 449)	(453)
Closing balance	**31 995**	**30 623**	**1 372**

	AUDITED HISTORICAL		
	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
31 Dec 2020			
Opening balance	7 132	6 826	306
Written premiums	96 766	101 275	(4 509)
Earned during the year	(54 536)	(58 617)	4 081
Closing balance	**49 362**	**49 484**	**(122)**
31 Dec 2019			
Opening balance	528	570	(42)
Written premiums	12 414	11 790	624
Earned during the year	(5 810)	(5 534)	(276)
Closing balance	**7 132**	**6 826**	**306**

27. OTHER LIABILITIES

	AUDITED INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	AUDITED RESTATED 31 DEC 2019 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2019 ZWL$ 000
Revenue received in advance	71 744	1 649 171	28 183	335 578
Sundry creditors	7 163 887	3 863 396	7 163 887	861 240
Accruals	653 484	777 384	653 484	173 297
Suspense	545 726	211 473	545 726	47 142
Provisions	234 230	32 927	76 012	6 741
	8 669 071	**6 534 351**	**8 467 292**	**1 423 998**

28. LIFE FUND

28.1 Movement in Life Fund

AUDITED INFLATION ADJUSTED

	Unearned Premium Reserve ZWL$ 000	Incurred But Not Reported ZWL$ 000	Annuities Reserve ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
Restated 31 Dec 2019					
Opening balance	30 552	12 973	878	-	44 403
Transfer from income	12 284	744	7 466	-	20 494
Monetary adjustment	(35 728)	(10 781)	(737)	-	(47 246)
Closing balance	**7 108**	**2 936**	**7 607**	**-**	**17 651**
31 Dec 2020					
Opening balance	7 108	2 936	7 607	-	17 651
Transfer from income	3 469	16	17 252	82 245	97 456
Monetary adjustment	(6 967)	(2 287)	(13 088)	(5 526)	(22 342)
Closing balance	**3 610**	**665**	**11 771**	**76 719**	**92 765**

UNAUDITED HISTORICAL

	Unearned Premium Reserve ZWL$ 000	Incurred But Not Reported ZWL$ 000	Annuities Reserve ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
31 Dec 2019					
Opening balance	1 096	466	32	-	1 594
Transfer from income	488	189	1 664	-	2 341
Closing balance	**1 584**	**655**	**1 696**	**-**	**3 935**
31 Dec 2020					
Opening balance	1 584	655	1 696	-	3 935
Transfer from income	2 026	9	10 076	76 719	88 830
Closing balance	**3 610**	**664**	**11 772**	**76 719**	**92 765**

28.2 Life funds liabilities as supported by the following

	AUDITED INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	AUDITED RESTATED 31 DEC 2019 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2019 ZWL$ 000
Money market assets	5 992	2 972	5 992	663
Prescribed assets	12 180	3 200	12 180	713
Investment property	31 881	8 005	31 881	1 785
Listed equity investment	42 712	3 474	42 712	774
	92 765	**17 651**	**92 765**	**3 935**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
29. LIFE ASSURANCE INVESTMENT CONTRACT LIABILITIES				
29.1 Life assurance investment contract liabilities movement				
Opening balance	15 293	66 690	3 409	2 393
Interest on GEP fund	14 792	6 353	11 925	426
Fund Management expenses	(738)	(493)	(310)	(34)
GEP Investments	1 373	61 291	757	4 170
GEP withdrawals	(2 752)	(52 202)	(1 156)	(3 546)
Monetary adjustment	(13 343)	(66 346)	-	-
Closing balance	**14 625**	**15 293**	**14 625**	**3 409**
29.2 Life assurance investment contract liabilities are supported by the following net assets				
Money market assets	1 029	1 260	1 029	281
Cash	1 502	1 193	1 502	266
Prescribed assets	6 199	2 293	6 198	511
Listed equity Investment	2 964	10 547	2 965	2 351
Investment properties	2 931	-	2 931	-
	14 625	**15 293**	**14 625**	**3 409**
30. CATEGORIES OF FINANCIAL LIABILITIES				
The Group's financial liabilities are carried at amortised cost are as follows:				
Deposits	65 186 915	58 962 964	65 186 915	13 144 196
Other liabilities	7 163 887	3 625 191	7 163 887	808 138
Lease liability	21 144	17 944	21 144	4 000
	72 371 946	**62 606 099**	**72 371 946**	**13 956 334**
31. EQUITY AND RESERVES				
31.1 Share capital				
Authorised				
1 000 000 000 ordinary shares of ZWL$ 0.01each	10 000 000	10 000 000	10 000 000	10 000 000
Issued and fully paid				
Reconciliation of number of shares				

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 SHARES 000	RESTATED 31 DEC 2019 SHARES 000	HISTORICAL 31 DEC 2020 SHARES 000	HISTORICAL 31 DEC 2019 SHARES 000
Opening balance	522 016	686 963	522 016	686 963
Employee share options	-	4 035	-	4 035
Cancellation of treasury shares	-	(168 982)	-	(168 982)
Closing balance	**522 016**	**522 016**	**522 016**	**522 016**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Opening balance	167 401	191 414	5 220	6 870
Cancellation of treasury shares	-	(24 225)	-	(1 690)
Exercise of share options	-	212	-	40
	167 401	**167 401**	**5 220**	**5 220**
31.2 Share premium				
Opening balance	1 022 979	1 115 197	33 876	40 023
Cancellation of treasury shares	-	(94 572)	-	(6 597)
Exercise of share options	-	2 354	-	450
Closing balance	**1 022 979**	**1 022 979**	**33 876**	**33 876**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
31.3	**Treasury shares**				
	Opening balance	-	490 086	-	17 589
	Cancellation of shares	-	(490 086)	-	(17 589)
	Closing balance	**-**	**-**	**-**	**-**
31.4	**Revaluation reserve**				
	Opening balance	122 196	-	592 078	32 139
	Net revaluation gain	256 202	122 196	2 525 533	559 939
	Intercategory transfer	(45 027)	-	(306 700)	-
	Closing balance	**333 371**	**122 196**	**2 810 911**	**592 078**
31.5	**Employee share option reserve**				
	Opening balance	-	32 428	-	1 164
	Share options to employees	-	(409)	-	(78)
	Cancellation of share options	-	(32 019)	-	(1 086)
	Closing balance	**-**	**-**	**-**	**-**

Shares under option

The Directors are empowered to grant share options to senior executives and staff of the company up to a maximum of 40 000 000 shares. The options are granted for a period of 10 years at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted. Details of the share options outstanding as at 31 December 2019 were as follows:

	Subscription price	Number of Shares
Granted 1 June 2012	ZWL$ 0.0881	40 000 000

	AUDITED 31 DEC 2019 SHARES
Movement for the period	
Opening balance	37 197 797
Options exercised	(4 035 388)
Options cancelled	(33 162 409)
Closing balance	-

During the year ended 31 December 2019, the Group cancelled 33 162 409 share options and no payments were made to employees in respect of outstanding share options.

A valuation of the share option scheme was carried out by professional valuers. The estimated fair value of the options granted was determined using the binomial model in accordance with IFRS 2 “Share Based Payments” with the following inputs and assumptions:

Grant date share price (US cents)	8.81
Exercise price (US cents)	8.81
Expected volatility	50%
Dividend yield	2.5%
Risk-free interest rate	5.70%

Valuation inputs:

Exercise price

The scheme rules state that the price for the shares comprised in an option shall be the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted.

Expected volatility

Expected volatility is a measure of the amount by which the price is expected to fluctuate during a year, for example between grant date and the exercise date. Volatility was calculated using the geometric Brownian motion process on share prices.

Expected dividends

When estimating the fair value of options, the projected valuation of shares is reduced by the present value of dividends expected to be paid during the vesting year. This is because the payment of dividends reduces the value of a company.

Risk free rate of return

A risk free rate of return is the interest rate an investor would expect to earn on an investment with no risk which is usually taken to be a government issued security. It is the interest rate earned on a riskless security over a specified time horizon. Given that the valuation was done in United States dollars, the risk free rate was estimated based on the yield on 10 year treasury bills issued by the Federal Reserve Bank of the United States of America of 2.02%. This value was adjusted for the inflation differential between Zimbabwe and the United States of America. All options expire, if not exercised, 10 years after the date of grant.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
31.6	**Retained earnings**				
	Opening balance	8 662 126	7 719 887	1 149 527	244 918
	Profit for the year	5 073 766	1 403 868	6 145 925	924 896
	Cancellation of treasury shares	-	(371 290)	-	(9 302)
	Cancellation of share options	-	32 019	-	1 086
	Intercategory transfer	45 027	-	306 700	-
	Dividend paid	(534 595)	(122 358)	(475 976)	(12 071)
	Closing balance	**13 246 324**	**8 662 126**	**7 126 176**	**1 149 527**
	The retained earnings comprises:				
	Holding company	13 227 140	555 591	(17 099)	44 596
	Subsidiary companies	72 328	8 228 609	7 264 266	1 108 584
	Effect of consolidation journals	(53 144)	(122 074)	(120 991)	(3 653)
		13 246 324	**8 662 126**	**7 126 176**	**1 149 527**
31.7	**Non-controlling interests**				
	Reconciliation of Non-controlling Interests:				
	Non controlling interests comprise:				
	Opening balance	2 442	3 398	420	122
	Profit for the period	(89)	(1 886)	1 142	82
	Other comprehensive income	20	1 003	1 000	225
	Rights Issue	387	-	345	-
	Dividend paid	-	(73)	-	(9)
	Closing balance	**2 760**	**2 442**	**2 907**	**420**
31.8	**Fair value reserve**				
	Opening balance	387 187	227 192	164 808	8 154
	Other comprehensive income	103 070	159 995	748 904	156 654
		490 257	**387 187**	**913 712**	**164 808**
31.9	**Foreign currency translation reserve**				
	Opening balance	2 278 318	-	91 524	-
	Gross exchange gain on change of functional currency	-	2 280 228	-	92 150
	NCI portion on change of functional currency	-	(1 003)	-	(42)
	Exchange gain on translation of a foreign subsidiary	80 176	(907)	79 854	(584)
	Closing balance	**2 358 494**	**2 278 318**	**171 378**	**91 524**

32. CAPITAL MANAGEMENT

The Group adopted the Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Holding's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Group's capital management is to ensure that the Group complies with externally imposed capital requirements and economic capital requirements which is risk based capital requirements. The Group maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Group vis-à-vis assumed levels of risk (risk versus return).

33. CONTINGENCIES AND COMMITMENT

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Guarantees	71 752	374 530	71 752	83 491
	71 752	**374 530**	**71 752**	**83 491**
Capital Commitments				
Authorised and contracted for	843	74 709	843	16 654
Authorised but not yet contracted for	-	1 585	-	353
	843	**76 294**	**843**	**17 007**

The capital commitments will be funded from the Group`s own resources.

34. FUNDS UNDER MANAGEMENT

Pensions	7 126 232	4 557 517	7 126 232	1 015 975
Institutional & individual clients - Equities	4 285 619	924 193	4 285 619	206 024
Institutional & individual clients - Fixed Income	-	2 803	-	625
Unit trust	20 258	9 867	20 258	2 199
	11 432 109	**5 494 380**	**11 432 109**	**1 224 823**

35. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

BANKING OPERATIONS

Provides commercial banking products through retail banking corporate and merchant banking and investing portfolios through the treasury function.

MORTAGAGE FINANCE

Provides mortgage financing to its clients for both finance and commercial purposes.

ASSET MANAGEMENT

Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.

INSURANCE OPERATIONS

Provides short term insurance and Life assurance. Also provides Risk Advisory Services to its clients as part of its insurance operations function.

PROPERTY INVESTMENTS

Property investment arm of the Group.

AGRO BUSINESS OPERATIONS

Provides contract farming loans to farmers both individual and commercial

OTHER OPERATIONS

Other operations provided by the Group include microfinanc–ing by Redsphere Finance and equity investments by the Holdings Company.

35. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

The table below shows the segment operational results for the year ended 31 December 2020:

34.1 Segment operational results

AUDITED INFLATION ADJUSTED	Commercial banking ZWL$ 000	Mortgage finance ZWL$ 000	Asset management ZWL$ 000	Insurance operations ZWL$ 000	Property investment ZWL$ 000	Agro business ZWL$ 000	Other operations ZWL$ 000	intersegment amounts ZWL$ 000	Consolidated ZWL$ 000
INCOME									
Total income for the year ended 30 December 2020	**16 021 035**	**(3 193 018)**	**(11 167)**	**456 190**	**105 265**	**2 247 908**	**826 807**	**(1 855 352)**	**14 597 668**
Total income for the year ended 30 December 2019	8 242 991	1 110 234	136 208	434 210	454 122	1 979 733	596 152	(757 354)	12 196 296
Net underwriting income for the year ended 30 December 2020	**–**	**–**	**–**	**302 329**	**–**	**–**	**–**	**(14 073)**	**288 256**
Net underwriting income for the year ended 30 December 2019	–	–	–	354 461	–	–	–	(43 290)	311 171
Depreciation and amortisation for the year ended 30 December 2020	**175 950**	**67 989**	**5 425**	**26 017**	**1 709**	**8 355**	**16 988**	**(10 439)**	**291 994**
Depreciation and amortisation for the year ended 30 December 2019	228 277	43 423	2 575	17 888	654	857	11 831	(22 957)	282 548
Impairment of assets for the year ended 30 December 2020	**535 614**	**33 936**	**–**	**15 416**	**–**	**374 044**	**3 332**	**–**	**962 342**
Impairment of assets for the year ended 30 December 2019	120 614	(5 318)	16	65 292	–	877 472	724	–	1 058 800
Results									
Profit before taxation for the year ended 30 December 2020	**9 948 675**	**(3 889 190)**	**(270 276)**	**(111 872)**	**(34 156)**	**1 791 553**	**493 932**	**(693 804)**	**7 234 862**
Profit before taxation for the year ended 30 December 2019	2 988 182	(629 026)	12 269	(234 843)	517 678	1 141 698	670 673	(511 453)	3 955 178
Cash flows:									
Used in operating activities for the year ended 30 December 2020	**3 103 129**	**458 309**	**33 262**	**53 627**	**83 113**	**(10 499 006)**	**480 982**	**8 790 448**	**2 503 864**
Used in operating activities for the year ended 30 December 2019	18 505 859	223 247	28 198	183 548	583 970	–	723 112	(2 044 174)	18 203 760
Used in investing activities for the year ended 30 December 2020	**(252 921)**	**(20 785)**	**(17 828)**	**(1 133)**	**(217 058)**	**(49 192)**	**(1 076 949)**	**214 858**	**(1 421 008)**
Used in investing activities for the year ended 30 December 2019	(347 235)	(6 968)	(24 055)	(201 716)	–	–	(45 289)	(29 724)	(654 987)
Used in financing activities for the year ended 30 December 2020	**(269 185)**	**(215 988)**	**(2 395)**	**(531)**	**(784)**	**(252 432)**	**(550 459)**	**744 276**	**(547 498)**
Used in financing activities for the year ended 30 December 2019	**(464 753)**	**(1 814)**	**(3 754)**	**(21 621)**	**(190)**	**–**	**(123 362)**	**479 992**	**(135 502)**
Total assets and liabilities									
Reportable segment liabilities for the year ended 30 December 2020	**67 173 268**	**5 909 342**	**692 512**	**853 452**	**342 999**	**6 608 442**	**372 216**	**(4 691 691)**	**77 260 540**
Reportable segment liabilities for the year ended 31 Dec 2019	61 850 730	2 098 574	51 535	472 406	201 576	4 177 338	57 598	(1 559 615)	67 350 142
Total segment assets for the year ended 30 December 2020	**81 952 404**	**4 495 471**	**635 299**	**1 477 313**	**1 113 668**	**9 032 286**	**2 556 457**	**(6 380 772)**	**94 882 126**
Total segment assets for the year ended 31 Dec 2019	69 004 700	4 604 208	155 194	1 123 312	1 052 967	5 023 487	2 180 901	(3 151 978)	79 992 791

UNAUDITED HISTORICAL

	Commercial banking ZWL$ 000	Mortgage finance ZWL$ 000	Asset management ZWL$ 000	Insurance operations ZWL$ 000	Property investment ZWL$ 000	Agro business ZWL$ 000	Other operations ZWL$ 000	intersegment amounts ZWL$ 000	Consolidated ZWL$ 000
INCOME									
Total income for the year ended 30 December 2020	**14 212 118**	**(2 616 280)**	**53 825**	**549 930**	**535 119**	**1 488 869**	**928 097**	**(1 122 856)**	**14 028 822**
Total income for the year ended 30 December 2019	1 006 539	212 366	30 639	96 320	128 586	441 788	81 348	(73 004)	1 924 582
Net underwriting income for the year ended 30 December 2020	**–**	**–**	**–**	**104 808**	**–**	**–**	**–**	**(4 148)**	**100 660**
Net underwriting income for the year ended 30 December 2019	–	–	–	18 242	–	–	–	(3 233)	15 009
Depreciation and Armotisation 30 December 2020	**110 366**	**34 792**	**1 318**	**5 335**	**729**	**3 051**	**4 882**	**(2 150)**	**158 323**
Depreciation and Armotisation 30 December 2019	17 867	6 716	127	1 192	46	161	548	204	26 861
Impairment of assets for the year ended 30 December 2020	**535 614**	**33 936**	**11**	**15 416**	**–**	**374 044**	**3 332**	**–**	**962 353**
Impairment of assets for the year ended 30 December 2019	27 349	(1 193)	1	2 513	–	195 609	161	–	224 440
Results									
Profit before taxation for the year ended 30 December 2020	**11 085 688**	**(3 076 196)**	**(197 069)**	**244 844**	**419 920**	**514 313**	**443 379**	**(547 471)**	**8 887 408**
Profit before taxation for the year ended 30 December 2019	617 186	140 608	22 082	69 011	123 982	150 723	51 301	(50 089)	1 124 804
Cash flows:									
Used in operating activities for the year ended 30 December 2020	**(90 438)**	**299 349**	**13 284**	**78 522**	**188 536**	**(8 659 784)**	**(190 061)**	**9 442 631**	**1 082 039**
Used in operating activities for the year ended 30 December 2019	1 787 458	20 066	1 101	21 358	5 260	(1 565 277)	35 390	1 515 844	1 821 200
Used in investing activities for the year ended 30 December 2020	**(128 927)**	**(16 350)**	**(7 180)**	**(47 907)**	**(183 475)**	**(35 442)**	**(692 526)**	**215 290**	**(896 517)**
Used in investing activities for the year ended 30 December 2019	(45 107)	(1 117)	(1 277)	(5 975)	(629)	(3 831)	(5 602)	(5 222)	(68 760)
Used in financing activities for the year ended 30 December 2020	**(156 042)**	**(72)**	**(746)**	**21 285**	**(280)**	**(353)**	**208 481**	**(555 605)**	**(483 332)**
Used in financing activities for the year ended 30 December 2019	(51 741)	(144)	(423)	(1 951)	(55)	968	(12 011)	52 774	(12 583)
Total assets and liabilities									
Reportable segment liabilities for the year ended 30 December 2020	**67 281 507**	**5 908 513**	**689 410**	**849 521**	**287 922**	**6 606 514**	**361 935**	**(4 695 857)**	**77 289 465**
Reportable segment liabilities for the year ended 31 Dec 2019	13 736 297	467 820	11 343	103 854	34 436	905 488	11 810	(348 492)	14 922 556
Total segment assets for the year ended 30 December 2020	**78 242 948**	**4 248 136**	**604 553**	**1 424 495**	**880 439**	**6 765 649**	**1 157 457**	**(4 970 032)**	**88 353 645**
Total segment assets for the year ended 31 Dec 2019	14 742 309	958 983	31 004	233 737	192 117	1 015 688	199 112	(412 941)	16 960 009

36. RELATED PARTIES

The Group does not have an ultimate parent as it is owned by several shareholders none of which has a controlling interest. The Group has related party relationships with its Directors and key management employees, their companies and close family members.The Group carries out banking and investment related transactions with various companies related to its shareholders, all of which were undertaken at arm's length and in compliance with the relevant Banking Regulations.

Loans and advances to Directors' companies

AUDITED INFLATION ADJUSTED

	Gross limits ZWL$ 000		Utilised limits ZWL$ 000		Value of security ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Loans to directors' companies	300	2 024	275	2 010	405	1 925

UNAUDITED HISTORICAL

	Gross limits ZWL$ 000		Utilised limits ZWL$ 000		Value of security ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Loans to directors' companies	300	300	2 010	275	1 925	405

The loans to directors' companies above include companies directly owned or significantly influenced by executive and non executive directors and/or their close family members.The loans above are provided at commercial terms with interest rates ranging from 10% to 12% and a tenure ranging from 1 month to 3 years. The loans to directors and key management personnel are shown in note 12.3.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Transactions with Directors' companies				
Interest income	223	-	122	-
Commission and fee income	9	7	5	1
	232	**7**	**127**	**1**

37. CLOSING EXCHANGE RATES

USD	81.7866	16.7734	81.7866	16.7734
ZAR	0.1789	0.8424	0.1789	0.8424
GBP	111.467	21.9983	111.467	21.9983
EUR	100.5076	18.7963	100.5076	18.7963

38. RISK MANAGEMENT

38.1 Risk overview

CBZ Group Enterprise Wide Risk Management Framework is anchored on the desire to uphold a High Risk Management and Compliance Culture as one of the major strategic thrusts and is supported by a clearly defined risk appetite in terms of various key exposures. This approach has given direction to the Group's overall Going Concern underpinned by robust strategic planning and policies .Through the CBZ Group risk management function, the Group regularly carries risk analysis through value at risk (VaR) assessments, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

38.2 Group risk management framework

The Group's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take root, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. The Group Board is responsible for setting and reviewing the risk appetite as well as Group Policies. Management and staff are responsible for the implementation of strategies aimed at the management and control of the risks that fall within their strategic organisational responsibilities. The CBZ Group Enterprise Wide Risk Management function is responsible for ensuring that the Group's risk taking remains within the set risk benchmarks. The Group Internal Audit function on the other hand provides independent assurance on the adequacy and effectiveness of the deployed risk management processes.

The CBZ Group Enterprise Wide Governance and Compliance Unit evaluates quality of compliance with policies, processes and governance structures.In terms of risk governance, the Group Board has delegated authority to the following Group Board Committees whose membership consists of Non – Executive Directors of the Group:

Risk Management & Compliance Committee – has the responsibility for oversight and review of prudential risks comprising of but not limited to credit, liquidity, interest rate, exchange, investment, operational, equities, insurance, security, technological, reputational and compliance. Its other responsibilities includes reviewing the adequacy and effectiveness of the Group's risk management policies, systems and controls as well as the implications of proposed regulatory changes to the Group. It receives consolidated quarterly risk and compliance related reports from the Group Executive Management Committee (Group EXCO) and Group Risk Management Sub-Committee. The committee governance structures ensure that approval authority and risk management responsibilities are cascaded down from the Board through to the appropriate business units and functional committees. Its recommendations are submitted to the Group Board.

Audit & Finance Committee – manages financial risk related to ensuring that the Group's financial statements are prepared in line with the International Financial Reporting Standards. This committee is responsible for capital management policy as well as the adequacy of the Group's prudential capital requirements taking into account the Group's risk appetite. The committee is also tasked with the responsibility of ensuring that efficient tax management systems are in place and that the Group is in full compliance with tax regulations.

Human Resources & Remunerations Committee – is accountable for people related risks and ensures that the Group has the optimal numbers as well as the right mix in terms of skills and experience for the implementation of the Group's strategy. The committee also looks at succession planning, the welfare of Group staff as well as the positive application of the Group's Code of Ethics.

38.3 Credit risk

This is the risk of potential loss arising from the probability of borrowers and or counterparties failing to meet their repayment commitments to the Group as and when they fall due in accordance with agreed terms and conditions.

Credit risk management framework

Credit risk is managed through a framework of credit policies and standards covering the identification, management, measurement and control of credit risk. These policies are approved by the Board, which also delegates credit approvals as well as loans reviews to designated sub committees within the Group. Credit origination and approval roles are segregated.

The Group uses an internal rating system based on internal estimates of probability of default over a one year horizon and customers are assessed against a range of both quantitative and qualitative factors.Credit concentration risk is managed within set benchmarks by counterparty or a group of connected counterparties, by sector, maturity profile and by credit rating. Concentration is monitored and reviewed through the responsible risk committees set up by the Board.

The Group through credit originating units as well as approving committees regularly monitors credit exposures, portfolio performance and external environmental factors that are likely to impact on the credit book. Through this process, clients or portfolios that exhibit material credit weaknesses are put on watch for close monitoring or exiting of such relationships where restructuring is not possible. Those exposures which are beyond restructuring are downgraded to Recoveries and Collections Unit.

Credit mitigation

Credit mitigation is employed in the Group through taking collateral, credit insurance and other guarantees. The Group is guided by considerations related to legal certainty, enforceability, market valuation and the risk related to guarantors in deciding which securities to accept from clients. Types of collateral that are eligible for risk mitigation include cash, mortgages over residential, commercial and industrial property, plant and machinery, marketable securities, guarantees, assignment of crop or export proceeds, leasebacks and stop-orders.

38.3 (a) Credit risk exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Balances with banks	12 269 526	9 485 893	12 269 526	2 114 623
Money market assets	7 583 721	1 005 572	7 583 721	224 165
Financial securities	982 879	5 346 036	982 879	1 191 754
Loans and advances to customers	29 438 930	13 519 925	29 438 930	3 013 901
Other assets	20 503 312	37 141 384	20 503 312	8 162 014
Total	**70 778 368**	**66 498 810**	**70 778 368**	**14 706 457**
Financial guarantees	71 752	76 295	71 752	17 008
Capital Commitments	843	374 529	843	83 491
Total	**72 595**	**450 824**	**72 595**	**100 499**

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Group held cash equivalents of ZWL$ 12 269 526 149 excluding notes and coins as at 31 December 2020, (31 December 2019- ZWL$ 9 485 894 447) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank, local and foreign banks.

38.3(b) An industry sector analysis of the Group's loans and advances before and after taking into account collateral held is as follows:

	INFLATION ADJUSTED		RESTATED		HISTORICAL			
	31 DEC 2020 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2019 ZWL$ 000	31 DEC 2019 ZWL$ 000
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)
Private	2 115 948	262 550	824 492	244 093 913	2 115 948	262 550	183 798	54 414
Agriculture	16 929 591	2 698 183	10 165 171	72 117 356	16 929 591	2 698 183	2 266 050	16 077
Mining	3 086 141	1 160 801	554 226	28 308 373	3 086 141	1 160 801	123 550	6 311
Manufacturing	818 622	249 977	597 351	74 681 022	818 622	249 977	133 163	16 648
Distribution	6 021 239	125 694	1 380 830	72 323 077	6 021 239	125 694	307 819	16 122
Construction	54 555	6 288	36 888	566 474	54 555	6 288	8 223	126
Transport	72 148	39 782	55 186	729 822	72 148	39 782	12 302	163
Communication	2 919	2 919	4 509	310 762	2 919	2 919	1 005	69
Services	1 236 384	804 993	1 075 095	88 093 394	1 236 384	804 993	239 663	19 638
Financial organisations	275 807	1 219 113	78 537	7 042 062 936	275 807	1 219 113	17 508	1 569 837
Gross value	**30 613 354**	**6 570 300**	**14 772 285**	**7 623 287 129**	**30 613 354**	**6 570 300**	**3 293 081**	**1 699 405**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Collateral				
Government Guarantee	15 047 438	9 479 674	15 047 438	2 113 237
Cash cover	1 448 024	14 723	1 448 024	3 282
Mortgage bonds	3 901 531	3 972 493	3 901 531	885 560
Notarial general covering bonds	10 922 495	7 373 241	10 922 495	1 643 664
	31 319 488	**20 840 131**	**31 319 488**	**4 645 743**

The Group holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds, leasebacks and stop-orders. Estimates of fair values are based on the value of collateral assessed at the time of borrowing, and are regularly aligned to trends in the market.

38.3 (c) Credit quality per class of financial assets

a. Loans and advances to customers

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment "allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	13 410 288	13 843 551	363 634	150 570	–	–	13 773 922	13 994 121
Special mention	"4a – 7c"	16 239 165	90 304	506 794	217 274	–	–	16 745 959	307 578
Non–performing	"8 – 10"	-	–	-	–	93 473	470 586	93 473	470 586
Total		**29 649 453**	**13 933 855**	**870 428**	**367 844**	**93 473**	**470 586**	**30 613 354**	**14 772 285**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	13 410 288	3 086 045	363 634	33 565	–	–	13 773 922	3 119 610
Special mention	"4a – 7c"	16 239 165	20 131	506 794	48 436	–	–	16 745 959	68 567
Non–performing	"8 – 10"	–	–	–	–	93 473	104 904	93 473	104 904
Total		**29 649 453**	**3 106 176**	**870 428**	**82 001**	**93 473**	**104 904**	**30 613 354**	**3 293 081**

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is as follows:

GROSS CARRYING AMOUNT	AUDITED INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	13 933 856	10 000 231	367 844	3 891 857	470 585	2 790 018	14 772 285	16 682 106
New assets originated or purchased (excluding write offs)	53 966 486	35 319 137	4 336 081	1 333 688	25 989	3 720	58 328 556	36 656 545
Transfers (from)/to Stage 1	(1 485 896)	(331 844)	1 276 976	320 475	208 920	11 369	–	–
Transfers to/(from) Stage 2	3 285 641	518 435	(3 574 529)	(749 500)	288 888	231 065	–	–
Transfers to/(from) Stage 3	2 228	8 181	101 216	11 515	(103 444)	(19 696)	–	–
Repayments during the period	(1 494 549)	(855 840)	(527 507)	(826 636)	(362 574)	(384 401)	(2 384 630)	(2 066 877)
Amounts written off	–	–	–	–	(80 725)	(279 902)	(80 725)	(279 902)
Monetary adjustment	(38 558 313)	(30 724 444)	(1 109 653)	(3 613 555)	(354 166)	(1 881 588)	(40 022 132)	(36 219 587)
Gross loans and advances to customers	**29 649 453**	**13 933 856**	**870 428**	**367 844**	**93 473**	**470 585**	**30 613 354**	**14 772 285**
ECL allowance	(1 051 060)	(856 022)	(67 969)	(94 476)	(55 395)	(301 863)	(1 174 424)	(1 252 361)
Net loans and advances to customers	**28 598 393**	**13 077 834**	**802 459**	**273 368**	**38 078**	**168 722**	**29 438 930**	**13 519 924**

GROSS CARRYING AMOUNT	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	3 106 176	358 896	82 000	139 674	104 905	100 130	3 293 081	598 700
New assets originated or purchased (excluding write offs)	26 392 930	2 762 006	2 120 542	91 560	12 499	253	28 525 971	2 853 819
Transfers (from)/to Stage 1	(726 688)	(73 976)	624 514	71 442	102 174	2 534	–	–
Transfers to/(from) Stage 2	1 606 864	115 571	(1 748 147)	(167 082)	141 283	51 511	–	–
Transfers to/(from) Stage 3	1 090	1 824	49 500	2 567	(50 590)	(4 391)	–	–
Repayments during the period	(730 919)	(58 145)	(257 981)	(56 161)	(177 319)	(26 116)	(1 166 219)	(140 422)
Amounts written off	–	–	–	–	(39 479)	(19 016)	(39 479)	(19 016)
Gross loans and advances to customers	**29 649 453**	**3 106 176**	**870 428**	**82 000**	**93 473**	**104 905**	**30 613 354**	**3 293 081**
ECL allowance	(1 051 060)	(190 827)	(67 969)	(21 061)	(55 395)	(67 292)	(1 174 424)	(279 180)
Net loans and advances to customers	**28 598 393**	**2 915 349**	**802 459**	**60 939**	**38 078**	**37 613**	**29 438 930**	**3 013 901**

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December amounted to ZWL$ 41 176 578. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of recovery.

ECL RECONCILIATION	AUDITED INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	856 023	477 021	94 475	850 889	301 863	1 784 592	1 252 361	3 112 502
New assets originated or purchased	1 890 034	1 308 214	410 538	270 661	23 552	31 814	2 324 124	1 610 689
Transfers (from)/to Stage 1	(206 331)	(131 226)	94 432	122 242	111 899	8 984	–	–
Transfers to/(from) Stage 2	129 656	39 600	(345 863)	(199 558)	216 207	159 958	–	–
Transfers to/(from) Stage 3	68	707	6 715	5 202	(6 783)	(5 909)	–	–
Amounts written off	(49 319)	(42 196)	(63 341)	(12 667)	(302 851)	(249 182)	(415 511)	(304 045)
Monetary adjustment	(1 563 873)	(743 387)	(122 476)	(779 781)	(222 141)	(1 155 380)	(1 908 490)	(2 678 548)
Amounts paid off	(5 198)	(52 710)	(6 511)	(162 513)	(66 351)	(273 014)	(78 060)	(488 237)
Closing balance	**1 051 060**	**856 023**	**67 969**	**94 475**	**55 395**	**301 863**	**1 174 424**	**1 252 361**

ECL RECONCILIATION	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	190 828	17 120	21 059	30 537	67 293	64 047	279 180	111 704
New assets originated or purchased	924 361	200 423	200 751	18 501	11 515	2 379	1 136 627	221 303
Transfers (from)/to Stage 1	(100 907)	(29 253)	46 182	27 251	54 725	2 002	–	–
Transfers to/(from) Stage 2	63 407	8 828	(169 146)	(44 488)	105 739	35 660	–	–
Transfers to/(from) Stage 3	33	158	3 284	1 160	(3 317)	(1 318)	–	–
Amounts written off	(24 120)	(2 867)	(30 977)	(861)	(148 111)	(16 929)	(203 208)	(20 657)
Amounts paid off	(2 542)	(3 581)	(3 184)	(11 041)	(32 449)	(18 548)	(38 175)	(33 170)
Closing balance	**1 051 060**	**190 828**	**67 969**	**21 059**	**55 395**	**67 293**	**1 174 424**	**279 180**

b. Financial Securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

		AUDITED INFLATION ADJUSTED							
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	988 884	5 346 389	–	–	–	–	988 884	5 346 389
Total		**988 884**	**5 346 389**	**–**	**–**	**–**	**–**	**988 884**	**5 346 389**

		UNAUDITED HISTORICAL							
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	988 884	1 191 832	–	–	–	–	988 884	1 191 832
Total		**988 884**	**1 191 832**	**–**	**–**	**–**	**–**	**988 884**	**1 191 832**

(ii). An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial securities as follows:

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	5 346 389	34 690 431		–	–	–	5 346 389	34 690 431
New assets originated or purchased (excluding write offs)	–	373 151	–	–	–	–	–	373 151
Monetary Adjustment	(3 948 549)	(29 105 559)	–	–	–	–	(3 948 549)	(29 105 559)
Maturities during the period	(408 956)	(611 634)	–	–	–	–	(408 956)	(611 634)
Gross financial securities	**988 884**	**5 346 389**	**–**	**–**	**–**	**–**	**988 884**	**5 346 389**
ECL allowance	(6 005)	(351)		–		–	(6 005)	(351)
Closing balance	**982 879**	**5 346 038**	**–**	**–**	**–**	**–**	**982 879**	**5 346 038**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	1 191 832	1 244 996	–	–	–	–	**1 191 832**	1 244 996
New assets originated or purchased (excluding write offs)	–	83 184	–	–	–	–	**–**	83 184
Maturities during the period	(202 948)	(136 348)	–	–	–	–	**(202 948)**	(136 348)
Gross financial securities	**988 884**	**1 191 832**	**–**	**–**	**–**	**–**	**988 884**	**1 191 832**
ECL allowance	(6 005)	(78)	–	–	–	–	(6 005)	(78)
Closing balance	**982 879**	**1 191 754**	**–**	**–**	**–**	**–**	**982 879**	**1 191 754**

c. Money market asset

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment "allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	7 596 204	1 006 417	–	–	–	–	7 596 204	1 006 417
Total		**7 596 204**	**1 006 417**	**–**	**–**	**–**	**–**	**7 596 204**	**1 006 417**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	7 596 204	224 353	–	–	–	–	7 596 204	224 353
Total		**7 596 204**	**224 353**	**–**	**–**	**–**	**–**	**7 596 204**	**224 353**

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to money market assets is as follows:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	1 006 417	1 971 208	–	–	–		**1 006 417**	1 971 208
New assets originated or purchased (excluding write offs)	34 040 926	1 069 721	–	–	–	–	**34 040 926**	1 069 721
Maturities during the period	(442 998)	(379 264)	–	–	–	–	**(442 998)**	(379 264)
Monetary adjustment	(27 008 141)	(1 655 248)	–	–	–	–	**(27 008 141)**	(1 655 248)
Gross money market assets	**7 596 204**	**1 006 417**	**–**	**–**	**–**	**–**	**7 596 204**	**1 006 417**
ECL allowance	(12 483)	(844)	–	–	–	–	(12 483)	(844)
Closing balance	**7 583 721**	**1 005 573**	**–**	**–**	**–**	**–**	**7 583 721**	**1 005 573**

ECL RECONCILIATION	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	224 353	70 744	–	–	–	–	224 353	70 744
New assets originated or purchased (excluding write offs)	7 588 502	239 586	–	–	–	–	7 588 502	239 586
Maturities during the period	(216 651)	(85 977)	–	–	–	–	(216 651)	(85 977)
Gross money market assets	**7 596 204**	**224 353**	**–**	**–**	**–**	**–**	**7 596 204**	**224 353**
ECL allowance	(12 483)	(188)	–	–	–	–	(12 483)	(188)
Closing balance	**7 583 721**	**224 165**	**–**	**–**	**–**	**–**	**7 583 721**	**224 165**

d. Financial guarantees

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment "allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	71 752	374 530	–	–	–	–	71 752	374 530
Total		**71 752**	**374 530**	**–**	**–**	**–**	**–**	**71 752**	**374 530**

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	71 752	83 491	–	–	–	–	71 752	83 491
Total		**71 752**	**83 491**	**–**	**–**	**–**	**–**	**71 752**	**83 491**

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial guarantees is as follows:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	374 531	289 526	–	–	–	–	374 531	289 526
New assets originated or purchased (excluding write offs)	146 714	374 530	–	–	–	–	146 714	374 530
Monetary adjustment	(278 774)	(242 451)	–	–	–	–	(278 774)	(242 451)
Guarantees Expired	(170 719)	(47 074)	–	–	–	–	(170 719)	(47 074)
Gross Guarantees	**71 752**	**374 531**	**–**	**–**	**–**	**–**	**71 752**	**374 531**
ECL allowance	(581)	(4 029)					(581)	(4 029)
Closing balance	**71 171**	**370 502**	**–**	**–**	**–**	**–**	**71 171**	**370 502**

UNAUDITED HISTORICAL								
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	83 491	10 494	–	–	–	–	83 491	10 494
New assets originated or purchased (excluding write offs)	71 751	83 491	–	–	–	–	71 751	83 491
Guarantees expired during the period	(83 490)	(10 494)	–	–	–	–	(83 490)	(10 494)
Gross Guarantees	**71 752**	**83 491**	**–**	**–**	**–**	**–**	**71 752**	**83 491**
ECL allowance	(581)	(898)	–	–	–	–	(581)	(898)
Closing balance	**71 171**	**82 593**	**–**	**–**	**–**	**–**	**71 171**	**82 593**

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills. Expected Credit Losses of these assets were calculated as at 31 December 2020. Expected Credit Losses is determined through a combination of expected credit exposures (Exposure-at-Default), likelihood of default occurring (Probability of Default) and anticipated Loss in the event of Default (Loss-Given-Default).

38.3.1 Definition of Parameters used for Calculation of Expected Credit Losses (ECL)

The Probability of Default (PD)
This is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year if the facility has not been previously derecognised and is still in the portfolio.

The Exposure at Default (EAD)
This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The Loss Given Default (LGD)
This is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including those from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum year for which the credit losses are determined is the contractual life of a financial instrument, unless the Group has the legal right to call it earlier.
Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Significant increase in credit risk and Stage Recognition
The CBZ Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

A significant increase in credit risk is defined as a significant increase in the probability of a default occurring since initial recognition. Credit risk has increased significantly when contractual payments are more than 30 days past due.

Key consideration for a significant change in credit risk under a financial asset include the following;

i) The counterparty rating deteriorates.
ii) Breaches in conditionality or covenants.
iii) Deterioration in account conduct.
iv) Any corporate action relating to changes in corporate structure, control, acquisitions or disposals,
v) Significant changes in executive leadership.
vi) Any other factor that is reasonably expected to have a negative impact on prospects for repayment, including but not limited to legislative changes, perceived sectoral risks, and negative media coverage.
vii) Actual or expected significant change in the financial instrument's external credit rating (Credit Reference Bureau rating).
viii) Declining Asset Quality
ix) Reduction in financial support from the parent company
x) Expected changes in the loan agreement terms and conditions.
xi) Changes in group parents payment pattern
xii) Decision to change collateral
xiii) Deterioration of macro-economic factors of the borrower

Forward looking information

In its ECL model, the Group considers three scenarios, namely, Best Case, Base Case and Worst Case from a spectrum of macro-economic fortunes. These scenarios are probability weighted based on input from senior management. The ECL model focuses on perturbing PDs by treating this ECL component as a random variable. It is assumed that macro-economic fortunes are related to credit default risk with the Base Case PDs being equal to the credibility weighted PDs. Best Case and Worst Case PDs, by credit rating/class, are determined by taking the left and right tails respectively using the scenario probabilities outlined by management.

The Group will also be monitoring the impact of major external shocks and how they affect lending activities. The impact of catastrophes and systemic risk factors such as pandemics and adverse climatic conditions are considered through modification of the adverse scenario maturity horizon of exposures. This affects the evolution of the EAD in a way that increases ECLs. The Group will also consider macro-economic variables with proven statistical relationships to credit default risk and sufficient time and information to allow statistically significant assertions to be made. The macro-economic variables to be considered as explanatory to credit default risk measures or recovery rates are; Interest Rates, Unemployment Rates, Commodity Prices, Inflation Rates and Gross Domestic Product.

Based on financial asset's stage, 12 Months and Life-Time Expected Credit Losses were calculated.

a) 12 Months Expected Credit Losses is a portion of Lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
b) Lifetime Expected Credit Losses are the expected present value of losses that arise if borrowers default on their obligations at some time during the life of the financial asset. These are weighted average credit losses that result from all possible default events over the expected life of the financial asset/ or instrument.

Stage 1: (Performing)
The financial assets in this stage are neither past due nor specifically impaired, and are current and fully compliant with all contractual terms and conditions. When loans are first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: (Underperforming)
The assets have early arrears but not specifically impaired loans. It covers all loans where the counterparties have failed to make contractual payments and are less than 90 days past due, but are expected that the full carrying values will be recovered when considering future cash flows including collateral. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: (Credit Impaired)
For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. LTECLs were calculated for all the assets which were classified under this stage. Loans satisfying the followings were classified under Stage 3;

a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e deterioration in asset quality).
c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.

Under this stage interest revenue recognised was based on Amortised Cost i.e. Gross exposure amount less allowance. The estimate of cash flow expected from collateral and credit enhancements were also factored.

Purchased or originated credit impaired (POCI)
Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Debt instruments measured at fair value through OCI
The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Cure, Modification and Forbearance of Financial Assets

During the year under Review, some of the financial assets were cured, modified and forborne.

Curing

Cure is the reclassification of a non-performing asset or underperforming into performing status. To be reclassified as performing, a non-performing forborne exposure should fulfill the general requirements for reclassifying exposures from non-performing to performing as well as specific requirements applicable to forborne exposures. Clients whose exposures were cured had met the following conditions;

a) Completion of a “cure year” of six months by non-performing forborne exposures and that the debtor’s behaviour demonstrates that financial difficulties no longer exist.
b) The borrower should have settled, by means of regular payments, an amount equivalent to all the amounts past due on the date the forbearance measures were granted (if there were past-due amounts at this date), or to the amount written-off as part of these forbearance measures (if there was no past-due amount at the date of the forbearance measures).
c) It has been established that the obligor has been able to meet the requirements of the revised terms and conditions.
d) The borrower should have settled 6 full consecutive monthly payments under the revised terms.

Cure constituted the following in each of the respective impairment stages;

Account Cure	Impairment triggers
Move from stage 3 to stage 2 (decrease in credit risk)	• Modifications
Move from stage 3 to stage 1 (decrease in credit risk)	• Restructured loans
Move from stage 2 to stage 1 (reduction in credit risk signified by migration from low credit risk or no significant increase in credit risk)	• Arrears re-spread • Arrears deferred • Loan term extended • Arrears deferred and re-spread

Modification and Forbearance
These are formal, contractual agreements between the customer and the Group to change cash flows from that originally agreed or previously amended as well as contractual terms and conditions. Where a contract was subjected to some or all of the above forbearance measures, it was referred to as modification. It was also referred to as Restructuring by the Group. Modification in some instances resulted in change in PD, instalment and interest rate among other factors.

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower’s financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower’s present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group’s policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.
If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Beginning 1 January 2018, any loan that has been renegotiated or modified but not derecognised, is reassessed by the Group for potential significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum six months’ probation year. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities has to be considered performing
- The probation year of six months has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation year
- The customer does not have any contract that is more than 30 days past due

Derecognition
Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. The Group de-recognizes a financial asset when, and only when:
a) the contractual rights to the cash flows from the financial asset expire, or
b) It transfers the financial asset and the transfer qualifies for de-recognition.

Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Non-performing loans transferred in prior year:

Of the total non-performing loans transferred to Zimbabwe Asset Management Company (ZAMCO) in prior years, a balance of ZWL12, 193,258 was returned during the year mainly in respect of deceased estates and for other reasons such as loans which are prescribed. The agreements in the prior period to transfer the loans did not contain any buyback arrangements. These loans had been written off in the prior periods and thus pose a risk to the Group to the extent that they have not been provided for. The extent of any future returns for such is unknown and management has assessed the likelihood of more returns as minimal due to communications with ZAMCO. To manage this risk, the Group has provided a balance of ZWL20, 731,365 to cater for any possible returns which are yet to be communicated. The Group has assessed that the current provision is reasonable based on the returns made to date. No additional returns are expected other than those relating to deceased estates.

38.3.2 Market risk

This is the risk of loss under both the banking book and or trading book arising from unfavourable changes in market price such as interest rates, foreign exchanges rates, equity prices, credit spreads and commodity prices, which can cause substantial variations in earnings and or economic value of the Group and its strategic business units (SBUs) if not properly managed. The Group's exposure to market risk arises mainly from customer driven transactions.

38.3.3 Group market risks management framework

To manage these risks, there is oversight at Group Board level through the Group Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Group's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Group's liquidity strategic plan. The Group's (SBU) Boards are responsible for setting specific market risks strategies for their respective SBU and Executive Management implements policy and track performance regularly against set benchmarks through use of daily liquidity position reports, investment portfolio mix, cash flow analysis, liquidity matrix analysis, liquidity gap analysis and liquidity simulations to evaluate ability of the SBU to withstand stressed liquidity situations.

38.4 Liquidity risk

Liquidity relates to the Group's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Group recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk.

Market liquidity risk is the risk that the Group cannot cover or settle a position without significantly affecting the market price because of limited market depth .

Funding risk on the other hand is the risk that the Group will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Group.

The Group's liquidity risk management framework ensures that limits are set under respective Group Strategic Business Units relating to limits such as levels of wholesale funding, retail funding, loans to deposit ratio, counter-party exposures, liquidity coverage ratio, net stable funding ratio as well as prudential liquidity ratio.

The primary funding sources under the Group are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Group, through the ALCO processes and statement of financial position management ensures that asset growth and maturity are funded by appropriate growth in deposits and stable funding, respectively.

38.4.1 Contractual Gap analysis

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

	AUDITED INFLATION ADJUSTED						
	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	19 752 126	–	–	–	–	–	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	29 438 930
Insurance assets	324 173	1 367	–	35 947	–	–	361 487
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Current tax receivable	387	–	–	–	–	–	387
Other liquid assets	11 555	17 707 738	343	–	–	–	17 719 636
Total assets	**27 509 404**	**30 892 903**	**1 594 137**	**10 268 459**	**3 442 354**	**2 203 661**	**75 910 918**
Liabilities							
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	65 186 915
Insurance liabilities	222 140	–	–	–	–	–	222 140
Other liabilities	793 929	1 063 398	3 058	28 537	–	–	1 888 922
Current tax payable	–	272 729	8 139	–	–	–	280 868
Life Fund	92 765	–	–	–	–	–	92 765
Lease Liabilities	796	2 357	2 665	4 402	10 924	–	21 144
Investment contract liabilities	14 625	–	–	–	–	–	14 625
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Total liabilities	**58 223 136**	**2 918 358**	**1 525 649**	**4 525 512**	**581 139**	**5 337**	**67 779 131**
Liquidity gap	**(30 713 732)**	**27 974 545**	**68 488**	**5 742 947**	**2 861 215**	**2 198 324**	**8 131 787**
Cumulative liquidity gap	**(30 713 732)**	**(2 739 187)**	**(2 670 699)**	**3 072 248**	**5 933 463**	**8 131 787**	**8 131 787**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2019

	AUDITED INFLATION ADJUSTED						
	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	10 767 194	–	–	–	–	–	10 767 194
Money market assets	524 014	475 309	–	6 250	–	–	1 005 573
Financial securities	151 987	153 031	51 846	161 979	678 361	4 148 834	5 346 038
Loans and advances to customers	484 783	73 045	161 562	11 083 514	1 022 945	694 075	13 519 924
Insurance assets	1 568	–	–	12 169	–	–	13 737
Financial guarantees	1 441	53 470	4 783	29 525	285 310	–	374 529
Current tax receivable	–	683	47	–	–	–	730
Other liquid assets	33 976 668	1 242 683	91	–	–	–	35 219 442
Total assets	**45 907 655**	**1 998 221**	**218 329**	**11 293 437**	**1 986 616**	**4 842 909**	**66 247 167**
Liabilities							
Deposits	55 092 930	641 586	141 914	1 924 417	786 854	20 178	58 607 879
Insurance liabilities	17 902	–	77 868	–	–	–	95 770
Other liabilities	38 286	3 836 511	3 656 325	19 779	48 690	–	7 599 591
Current tax payable	–	455 304	–	6 853	–	–	462 157
Life Fund	2 935	–	–	–	–	–	2 935
Lease Liability	788	2 321	2 410	4 318	8 107	–	17 944
Investment contract liabilities	1 326	13 967	–	–	–	–	15 293
Financial guarantees	1 441	53 470	4 783	29 525	285 311	–	374 530
Capital Commitments	–	74 709	–	–	–	–	74 709
Total liabilities	**55 155 608**	**5 077 868**	**3 883 300**	**1 984 892**	**1 128 962**	**20 178**	**67 250 808**
Liquidity gap	**(9 247 953)**	**(3 079 647)**	**(3 664 971)**	**9 308 545**	**857 654**	**4 822 731**	**(1 003 641)**
Cumulative liquidity gap	**(9 247 953)**	**(12 327 600)**	**(15 992 571)**	**(6 684 026)**	**(5 826 372)**	**(1 003 641)**	**(1 003 641)**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	19 752 126	–	–	–	–	–	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	29 438 930
Insurance assets	324 173	1 367	–	35 947	–	–	361 487
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Current tax receivable	387	–	–	–	–	–	387
Other liquid assets	11 555	17 707 738	343	–	–	–	17 719 636
Total assets	**27 509 404**	**30 892 903**	**1 594 137**	**10 268 459**	**3 442 354**	**2 203 661**	**75 910 918**
Liabilities							
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	65 186 915
Insurance liabilities	222 140	–	–	–	–	–	222 140
Other liabilities	793 929	1 063 398	3 058	28 537	–	–	1 888 922
Current tax payable	–	272 729	8 139	–	–	–	280 868
Life Fund	92 765	–	–	–	–	–	92 765
Lease Liabilities	796	2 357	2 665	4 402	10 924	–	21 144
Investment contract liabilities	14 625	–	–	–	–	–	14 625
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Total liabilities	**58 223 136**	**2 918 358**	**1 525 649**	**4 525 512**	**581 139**	**5 337**	**67 779 131**
Liquidity gap	**(30 713 732)**	**27 974 545**	**68 488**	**5 742 947**	**2 861 215**	**2 198 324**	**8 131 787**
Cumulative liquidity gap	**(30 713 732)**	**(2 739 187)**	**(2 670 699)**	**3 072 248**	**5 933 463**	**8 131 787**	**8 131 787**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	2 400 254	–	–	–	–	–	2 400 254
Money market assets	116 815	105 957	–	1 393	–	–	224 165
Financial securities	33 881	34 114	11 558	36 109	151 222	924 870	1 191 754
Loans and advances to customers	108 069	16 283	36 016	2 470 769	228 038	154 725	3 013 900
Insurance assets	349	–	–	2 713	–	–	3 062
Financial guarantees	321	11 920	1 066	6 582	63 602	–	83 491
Current tax receivable	–	152	10	–	–	–	162
Other liquid assets	7 574 178	277 023	20	–	–	–	7 851 221
Total assets	**10 233 867**	**445 449**	**48 670**	**2 517 566**	**442 862**	**1 079 595**	**14 768 009**
Liabilities							
Deposits	12 281 476	143 024	31 636	428 997	175 408	4 498	13 065 039
Insurance liabilities	3 991	–	17 359	–	–	–	21 350
Other liabilities	8 535	855 246	815 079	4 409	10 854	–	1 694 123
Current tax payable	–	101 498	–	1 528	–	–	103 026
Life Fund	654	–	–	–	–	–	654
Lease Liability	176	517	537	963	1 807	–	4 000
Investment contract liabilities	296	3 114	–	–	–	–	3 410
Financial guarantees	321	11 920	1 066	6 582	63 602	–	83 491
Capital commitments	–	16 654	–	–	–	–	16 654
Total liabilities	**12 295 449**	**1 131 973**	**865 677**	**442 479**	**251 671**	**4 498**	**14 991 747**
Liquidity gap	**(2 061 582)**	**(686 524)**	**(817 007)**	**2 075 087**	**191 191**	**1 075 097**	**(223 738)**
Cumulative liquidity gap	**(2 061 582)**	**(2 748 106)**	**(3 565 113)**	**(1 490 026)**	**(1 298 835)**	**(223 738)**	**(223 738)**

The table above shows the undiscounted cash flows of the Group's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Group's SBUs carry out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure, levels and direction of the SBU's maturity mismatch and related funding or liquidity gap. The Group also relies on stress testing under various scenarios i.e moderate, extreme and severe in line with RBZ Recovery Planning Guideline to assess and manage liquidity risk. The Asset and Liability Management Committee (ALCO) of the respective SBU comes up with strategies to manage these liquidity gaps through funding gap limits. Additionally, the Group models asset and liability behaviours to measure liquidity risk from a behavioural perspective.

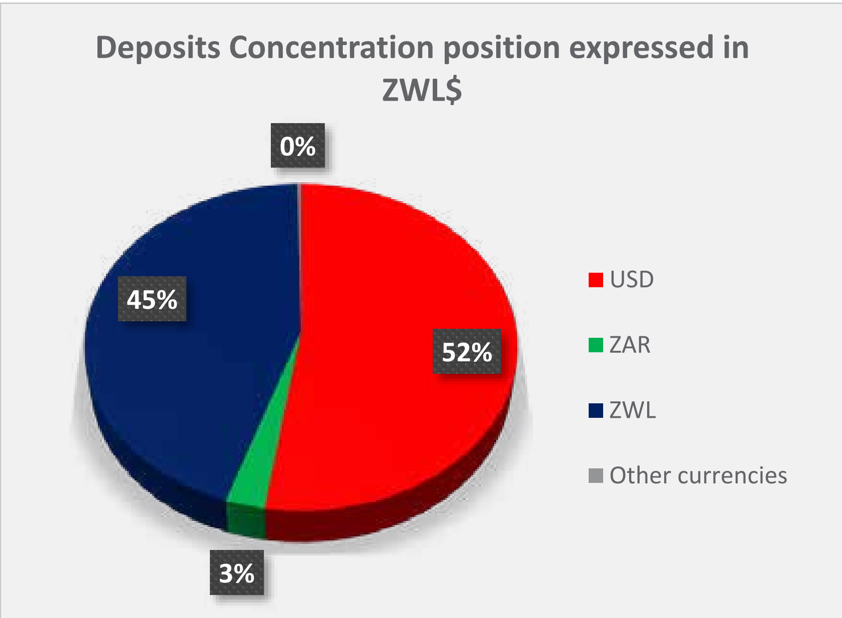
Details of the liquidity ratios for the relevant Group SBUs as at the reporting date and during the reporting year were as follows:

	CBZ Bank Limited %
At 31 December 2020	62
At 31 December 2019	53
Average for the year	50
Maximum for the year	68
Minimum for the year	31

38.4.2 Concentration & Counterparty Risk

Concentration risk describes the level of risk in the Group's liabilities when they are concentrated in few counterparties. The impact on the Group's liquidity is significant if any one of the counterparties makes a call on the liabilities.

The risk associated with significant liability concentrations in specific foreign currencies is that if the exchange rate moves against the Group, assuming no adequate monetary assets denominated in the same currency, significant exchange loses will be experienced and the significant local currency balances will be required to expunge the associated liabilities. An analysis of the concentration of the Group's deposits is shown below;



Included in the USD deposits, are legacy liabilities and nostro gap accounts amounting to US$167 966 227. These liabilities contribute 21.62% of the Group total deposits

38.5 Interest rate risk

This is the possibility of a Banking Group's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a banking Group's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involves daily monitoring of costs of funds, asset yield, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Group and its SBUs' ability to sustain a stressed interest rate environment, value at risk (VaR), interest rate risk set limits and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Group and its SBUs denominate their credit facilities in the base currency, the ZWL in order to minimise cross currency interest rate risk. The Group's interest rate risk profiling is illustrated on the next table.

At 31 December 2020, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant, post tax profit would have been ZWL$ 12,355,372, lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

38.5.1 INTEREST RATE REPRICING

AUDITED INFLATION ADJUSTED	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non–interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	11 738 557	–	–	–	–	–	8 013 569	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	–	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	–	29 438 930
Insurance assets	–	–	–	–	–	–	608 073	608 073
Equity investments	–	–	–	–	–	–	1 923 830	1 923 830
Land inventory	–	–	–	–	–	–	3 702 935	3 702 935
Other assets	–	–	–	–	–	–	22 762 584	22 762 584
Current tax receivable	–	–	–	–	–	–	540	540
Intangible assets	–	–	–	–	–	–	123 529	123 529
Investment properties	–	–	–	–	–	–	2 748 368	2 748 368
Property and equipment	–	–	–	–	–	–	4 793 121	4 793 121
Deferred taxation	–	–	–	–	–	–	461 490	461 490
Total assets	**19 158 609**	**13 154 037**	**1 559 474**	**10 225 952**	**3 442 354**	**2 203 661**	**45 138 039**	**94 882 126**
Equity & Liabilities								
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	–	65 186 915
Insurance liabilities	–	–	–	–	–	–	553 007	553 007
Other liabilities	–	–	–	–	–	–	8 669 071	8 669 071
Current tax payable	–	–	–	–	–	–	667 592	667 592
Life Fund	–	–	–	–	–	–	92 765	92 765
Investment contract liabilities	–	–	–	–	–	–	14 625	14 625
Deferred taxation	–	–	–	–	–	–	2 055 421	2 055 421
Lease liability		–	–	–	–	–	21 144	21 144
Equity		–	–	–	–	–	17 621 586	17 621 586
Total liabilities and equity	**57 097 770**	**1 550 113**	**1 477 467**	**4 486 013**	**570 215**	**5 337**	**29 695 211**	**94 882 126**
Interest rate repricing gap	**(37 939 161)**	**11 603 924**	**82 007**	**5 739 939**	**2 872 139**	**2 198 324**	**15 442 828**	**–**
Cumulative gap	**(37 939 161)**	**(26 335 237)**	**(26 253 230)**	**(20 513 291)**	**(17 641 152)**	**(15 442 828)**	**–**	**–**

AUDITED INFLATION ADJUSTED	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non– interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2019								
Assets								
Balances with banks and cash	4 030 470	–	–	–	–	–	6 736 724	10 767 194
Money market assets	524 014	475 309	–	6 250	–	–	–	1 005 573
Financial securities	151 987	153 031	51 846	161 979	678 361	4 148 834	–	5 346 038
Loans and advances to customers	484 783	73 045	161 562	11 083 514	1 022 945	694 075	–	13 519 924
Insurance assets	–	–	–	–	–	–	341 263	341 263
Equity investments	–	–	–	–	–	–	951 399	951 399
Land Inventory	–	–	–	–	–	–	3 302 840	3 302 840
Other assets	–	–	–	–	–	–	37 143 470	37 143 470
Current tax receivable	–	–	–	–	–	–	2 467	2 467
Intangible assets	–	–	–	–	–	–	46 836	46 836
Investment properties	–	–	–	–	–	–	2 505 734	2 505 734
Property and equipment	–	–	–	–	–	–	4 584 252	4 584 252
Deferred taxation	–	–	–	–	–	–	475 801	475 801
Total assets	**5 191 254**	**701 385**	**213 408**	**11 251 743**	**1 701 306**	**4 842 909**	**56 090 786**	**79 992 791**
Equity & Liabilities								
Deposits	55 092 930	641 586	141 914	1 924 417	786 854	20 177	–	58 607 878
Insurance liabilities	–	–	–	–	–	–	265 555	265 555
Other liabilities	–	–	–	–	–	–	6 534 351	6 534 351
Current tax payable	–	–	–	–	–	–	462 157	462 157
Life Fund	–	–	–	–	–	–	17 651	17 651
Investment contract liabilities	–	–	–	–	–	–	15 293	15 293
Deferred taxation	–	–	–	–	–	–	1 429 313	1 429 313
Lease Liability	–	–	–	–	–	–	17 944	17 944
Equity	–	–	–	–	–	–	12 642 649	12 642 649
Total liabilities and equity	**55 092 930**	**641 586**	**141 914**	**1 924 417**	**786 854**	**20 177**	**21 384 913**	**79 992 791**
Interest rate repricing gap	**(49 901 676)**	**59 799**	**71 494**	**9 327 326**	**914 452**	**4 822 732**	**34 705 873**	**–**
Cumulative gap	**(49 901 676)**	**(49 841 877)**	**(49 770 383)**	**(40 443 057)**	**(39 528 605)**	**(34 705 873)**	**–**	**–**

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non– interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	19 752 126	–	–	–	–	–	–	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	–	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	–	29 438 930
Insurance assets	–	–	–	–	–	–	608 073	608 073
Equity investments	–	–	–	–	–	–	1 923 830	1 923 830
Land inventory	–	–	–	–	–	–	470 639	470 639
Other liquid assets	–	–	–	–	–	–	20 503 312	20 503 312
Current tax receivable	–	–	–	–	–	–	540	540
Intangible assets	–	–	–	–	–	–	87 202	87 202
Investment properties	–	–	–	–	–	–	2 748 368	2 748 368
Property and equipment	–	–	–	–	–	–	3 790 193	3 790 193
Deferred taxation	–	–	–	–	–	–	463 832	463 832
Total assets	**27 172 178**	**13 154 037**	**1 559 474**	**10 225 952**	**3 442 354**	**2 203 661**	**30 595 989**	**88 353 645**
Equity & Liabilities								
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	–	65 186 915
Insurance liabilities	–	–	–	–	–	–	553 007	553 007
Other liabilities	–	–	–	–	–	–	8 467 292	8 467 292
Current tax payable	–	–	–	–	–	–	667 592	667 592
Life Fund	–	–	–	–	–	–	92 765	92 765
Investment contract liabilities	–	–	–	–	–	–	14 625	14 625
Deferred taxation	–	–	–	–	–	–	2 286 125	2 286 125
Lease liability	–	–	–	–	–	–	21 144	21 144
Equity	–	–	–	–	–	–	11 064 180	11 064 180
Total liabilities and equity	**57 097 770**	**1 550 113**	**1 477 467**	**4 486 013**	**570 215**	**5 337**	**23 166 730**	**88 353 645**
Interest rate repricing gap	**(29 925 592)**	**11 603 924**	**82 007**	**5 739 939**	**2 872 139**	**2 198 324**	**7 429 259**	**–**
Cumulative gap	**(29 925 592)**	**(18 321 668)**	**(18 239 661)**	**(12 499 722)**	**(9 627 583)**	**(7 429 259)**	**–**	**–**

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non– interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2019								
Assets								
Balances with banks and cash	898 484	–	–	–	–	–	1 501 770	2 400 254
Money market assets	116 815	105 957	–	1 393	–	–	–	224 165
Financial securities	33 881	34 114	11 557	36 108	151 222	924 872	–	1 191 754
Loans and advances to customers	108 069	16 283	36 016	2 470 769	228 038	154 726	–	3 013 901
Insurance assets		–	–		–	–	74 792	74 792
Equity investments	–	–	–	–	–	–	212 089	212 089
Land Inventory	–	–	–		–	–	139 034	139 034
Other liquid assets				–	–	–	8 162 479	8 162 479
Current tax receivable	–				–	–	550	550
Intangible assets	–	–	–	–	–	–	2 924	2 924
Investment properties	–	–	–	–	–	–	558 586	558 586
Property and equipment	–	–	–	–	–	–	873 439	873 439
Deferred taxation	–	–	–	–	–	–	106 042	106 042
Total assets	**1 157 249**	**156 354**	**47 573**	**2 508 270**	**379 260**	**1 079 598**	**11 631 705**	**16 960 009**
Equity & Liabilities								
Deposits	12 281 476	143 024	31 636	428 997	175 408	4 498	–	13 065 039
Insurance liabilities	–	–	–	–	–	–	59 198	59 198
Other liabilities	–	–	–	–	–	–	1 423 998	1 423 998
Current tax payable	–	–	–	–	–	–	103 025	103 025
Life Fund	–	–	–	–	–	–	3 935	3 935
Investment contract liabilities	–	–	–	–	–	–	3 409	3 409
Deferred taxation	–	–	–	–	–	–	259 952	259 952
Lease Liability	176	517	537	963	1 807	–	–	4 000
Equity	–		–	–	–	–	2 037 453	2 037 453
Total liabilities and equity	**12 281 652**	**143 541**	**32 173**	**429 960**	**177 215**	**4 498**	**3 890 970**	**16 960 009**
Interest rate repricing gap	**(11 124 403)**	**12 813**	**15 400**	**2 078 310**	**202 045**	**1 075 100**	**7 740 735**	**–**
Cumulative gap	**(11 124 403)**	**(11 111 590)**	**(11 096 190)**	**(9 017 880)**	**(8 815 835)**	**(7 740 735)**	**–**	**–**

38.6 Exchange rate risk

This risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rate where open positions either spot or forward, are taken for both on and off – statement of financial position transactions.

Supervision is at Board level through the Board Risk Management Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The management Assets and Liabilities Committee (ALCO) which meets on a monthly basis reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits.

At 31 December 2020, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the year would have been ZWL$ 31,003,650 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies. The foreign currency position for the Group as at 31 December 2020 is as below:

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED							
Position expressed in ZWL$ 000	**Total**	**ZWL**	**USD**	**ZAR**	**GBP**	**EUR**	**Other foreign currencies**
Assets							
Balances with banks and cash	19 752 126	2 352 200	16 477 405	405 466	47	362 788	154 220
Money market assets	7 583 721	4 169 603	2 793 501	620 617	–	–	–
Financial securities	982 879	982 879	–	–	–	–	–
Loans and advances to customers	29 438 930	27 428 488	1 985 550	24 749	139	3	1
Insurance assets	608 073	608 073	–	–	–	–	–
Equity investments	1 923 830	1 923 644	–	–	–	186	–
Land inventory	3 702 935	3 702 935	–	–	–	–	–
Other assets	22 762 584	10 029 622	12 459 419	266 520	6 333	690	–
Current tax receivable	540	540	–	–	–	–	–
Intangible assets	123 529	123 529	–	–	–	–	–
Investment properties	2 748 368	2 748 368	–	–	–	–	–
Property and equipment	4 793 121	4 631 894	116 775	44 376	–	76	–
Deferred taxation	461 490	461 490	–	–	–	–	–
	94 882 126	**59 163 265**	**33 832 650**	**1 361 728**	**6 519**	**363 743**	**154 221**
Equity & Liabilities							
Deposits	65 186 915	33 495 976	29 748 205	1 737 041	24 799	140 405	40 489
Insurance liabilities	553 007	553 007	–	–	–	–	–
Other liabilities	8 669 071	4 021 076	810 495	3 830 035	2 993	4 426	46
Current tax payable	667 592	667 592	–	–	–	–	–
Life Fund	92 765	92 765	–	–	–	–	–
Investment contract liabilities	14 625	14 625	–	–	–	–	–
Deferred taxation	2 055 421	2 055 421	–	–	–	–	–
Lease Liability	21 144	21 144	–	–	–	–	–
Equity	17 621 586	17 621 586	–	–	–	–	–
Total equity and liabilities	**94 882 126**	**58 543 192**	**30 558 700**	**5 567 076**	**27 792**	**144 831**	**40 535**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2019

AUDITED INFLATION ADJUSTED							
Position expressed in ZWL$ 000	**Total**	**ZWL**	**USD**	**ZAR**	**GBP**	**EUR**	**Other foreign currencies**
Assets							
Balances with banks and cash	10 767 194	9 412 159	871 246	335 673	13 241	97 693	37 182
Money market assets	1 005 573	102 134	903 439	–	–	–	–
Financial securities	5 346 038	5 346 038	–	–	–	–	–
Loans and advances to customers	13 519 924	12 520 038	591 460	24 955	1 244	382 227	–
Insurance assets	341 263	341 263	–	–	–	–	–
Equity investments	951 399	924 776	–	–	–	26 623	–
Land Inventory	3 302 840	3 302 840	–	–	–	–	–
Other assets	37 143 470	3 560 818	33 568 488	11 074	589	2 501	–
Current tax receivable	2 467	2 467	–	–	–	–	–
Intangible assets	46 836	46 836	–	–	–	–	–
Investment properties	2 505 734	2 505 734	–	–	–	–	–
Property and equipment	4 584 252	4 520 768	6 614	56 870	–	–	–
Deferred taxation	475 801	475 801	–	–	–	–	–
Total assets	**79 992 791**	**43 061 672**	**35 941 247**	**428 572**	**15 074**	**509 044**	**37 182**
Equity & Liabilities							
Deposits	58 607 878	19 956 172	37 148 707	1 045 417	12 166	417 574	27 842
Insurance liabilities	265 555	265 555	–	–	–	–	–
Other liabilities	6 534 351	6 402 077	126 012	317	5 457	473	15
Current tax payable	462 157	462 157	–	–	–	–	–
Life Fund	17 651	17 651	–	–	–	–	–
Investment contract liabilities	15 293	15 293	–	–	–	–	–
Deferred taxation	1 429 313	1 429 313	–	–	–	–	–
Lease Liability	17 944	17 944	–	–	–	–	–
Equity	12 642 649	12 642 649	–	–	–	–	–
Total equity and liabilities	**79 992 791**	**41 208 811**	**37 274 719**	**1 045 734**	**17 623**	**418 047**	**27 857**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	Total	ZWL	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	19 752 126	2 352 200	16 477 405	405 466	47	362 788	154 220
Money market assets	7 583 721	4 169 603	2 793 501	620 617	–	–	–
Financial securities	982 879	982 879	–	–	–	–	–
Loans and advances to customers	29 438 930	27 428 488	1 985 550	24 749	139	3	1
Insurance assets	608 073	608 073	–	–	–	–	–
Equity investments	1 923 830	1 923 644	–	–	–	186	–
Land inventory	470 639	470 639	–	–	–	–	–
Other assets	20 503 312	7 770 350	12 459 419	266 520	6 333	690	–
Current tax receivable	540	540	–	–	–	–	–
Intangible assets	87 202	87 202	–	–	–	–	–
Investment properties	2 748 368	2 748 368	–	–	–	–	–
Property and equipment	3 790 193	3 628 966	116 775	44 376	–	76	–
Deferred taxation	463 832	463 832	–	–	–	–	–
	88 353 645	**52 634 784**	**33 832 650**	**1 361 728**	**6 519**	**363 743**	**154 221**
Equity & Liabilities							
Deposits	65 186 915	33 495 976	29 748 205	1 737 041	24 799	140 405	40 489
Insurance liabilities	553 007	553 007	–	–	–	–	–
Other liabilities	8 467 292	3 819 297	810 495	3 830 035	2 993	4 426	46
Current tax payable	667 592	667 592	–	–	–	–	–
Life Fund	92 765	92 765	–	–	–	–	–
Investment contract liabilities	14 625	14 625	–	–	–	–	–
Deferred taxation	2 286 125	2 286 125	–	–	–	–	–
Lease liability	21 144	21 144	–	–	–	–	–
Equity	11 064 180	11 064 180	–	–	–	–	–
Total equity and liabilities	**88 353 645**	**52 014 711**	**30 558 700**	**5 567 076**	**27 792**	**144 831**	**40 535**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2019

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	Total		USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	2 400 255	2 098 186	194 221	74 829	2 952	21 778	8 289
Money market assets	224 165	22 768	201 397	–	–	–	–
Financial securities	1 191 754	1 191 754	–	–	–	–	–
Loans and advances to customers	3 013 900	2 791 003	131 850	5 563	277	85 207	–
Insurance assets	74 792	74 792	–	–	–	–	–
Equity investments	212 089	206 154	–	–	–	5 935	–
Land Inventory	139 034	139 034	–	–	–	–	–
Other assets	8 162 478	676 136	7 483 185	2 469	131	557	–
Current tax receivable	550	550	–	–	–	–	–
Intangible assets	2 924	2 924	–	–	–	–	–
Investment properties	558 586	558 586	–	–	–	–	–
Property and equipment	873 440	859 287	1 475	12 678	–	–	–
Deferred taxation	106 042	106 042	–	–	–	–	–
Total assets	**16 960 009**	**8 727 216**	**8 012 128**	**95 539**	**3 360**	**113 477**	**8 289**
Equity & Liabilities							
Deposits	13 065 039	4 448 688	8 281 298	233 047	2 712	93 087	6 207
Insurance liabilities	59 198	59 198	–	–	–	–	–
Other liabilities	1 423 998	1 394 512	28 091	71	1 216	105	3
Current tax payable	103 025	103 025	–	–	–	–	–
Life Fund	3 935	3 935	–	–	–	–	–
Investment contract liabilities	3 409	3 409	–	–	–	–	–
Deferred taxation	259 952	259 952	–	–	–	–	–
Lease Liability	4 000	4 000	–	–	–	–	–
Equity	2 037 453	2 037 453	–	–	–	–	–
Total equity and liabilities	**16 960 009**	**8 314 172**	**8 309 389**	**233 118**	**3 928**	**93 192**	**6 210**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

	UNDERLYING CURRENCY				
	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL$ 000
Assets					
Balances with banks and cash	201 468	72 538	–	3 610	154 220
Money market assets	34 156	111 028	–	–	–
Loans and advances to customers	24 277	4 428	1	–	1
Other assets	152 341	47 680	57	7	–
Property and equipment	1 428	7 939	–	–	–
Deferred taxation	–	–	–	1	–
Total assets	**413 670**	**243 613**	**58**	**3 618**	**154 221**
Liabilities					
Deposits	363 730	310 757	222	1 397	40 489
Other liabilities	9 910	685 193	27	44	46
Total liabilities	**373 640**	**995 950**	**249**	**1 441**	**40 535**
Net position	**40 030**	**(752 337)**	**(191)**	**2 177**	**113 686**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2019

	UNDERLYING CURRENCY				
	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL$ 000
Assets					
Balances with banks and cash	11 579	63 036	134	1 159	8 289
Money market assets	12 007	–	–	–	–
Loans and advances to customers	7 861	4 686	13	4 533	–
Other assets	446 134	2 080	6	30	–
Property and equipment	88	10 680	–	–	–
Total assets	**477 669**	**80 482**	**153**	**5 722**	**8 289**
Liabilities					
Deposits	493 716	196 319	123	4 952	6 207
Other liabilities	1 675	60	55	6	3
Total liabilities	**495 391**	**196 379**	**178**	**4 958**	**6 210**
Net position	**(17 722)**	**(115 897)**	**(25)**	**764**	**2 079**

38.7 Operational risk

This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Group and its SBUs revenue or erosion of the Group and its SBUs' statement of financial position value.

38.7.1 Operational risk management framework

The Group Risk Management Committee exercises adequate oversight over operational risks across the Group with the support of SBU Boards as well as business and functional level committees. Group Risk Management is responsible for setting and approving of Group Operational Policies and maintaining standards for operational risk.

The Group Board Audit Committee through the Internal Audit function as well as Group Enterprise Wide Governance and Compliance, performs their independent review and assurances under processes and procedures as set under Business Units policies and procedure manuals. On the other hand, the Group Risk Management and Group IT Department with assistance from the Organisation and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

38.8 Strategic risk

This is the risk that arises where the Group's strategy may be inappropriate to support its long term corporate goals due to underlying inadequate strategic planning processes, weak decision making processes as well as weak strategic implementation programs.

To mitigate this risk, the Group's Board, SBU Boards and Management teams craft the strategy which is underpinned by the Group's corporate goals. Approval of the strategy is the responsibility of the appropriate Board whilst implementation is carried out by Management. On the other hand, strategy and goal congruency is reviewed monthly by management and quarterly by the appropriate Board.

38.9 Regulatory risk

Regulatory risk is defined as the failure to comply with applicable laws and regulations or supervisory requirements, or the exclusion of provisions of relevant regulatory requirements out of operational procedures. This risk is managed and mitigated through the Group Board Risk Management Committee and the Group Enterprise Wide Governance and Compliance unit which ensures that:

a. Comprehensive and consistent compliance policies and procedures exist covering the Group and its SBUs;
b. A proactive and complete summary statement of the Group and its SBUs position on ethics and compliance exists;
c. A reporting structure of the Group Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and
d. Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.

38.10 Reputation risk

This is the risk of potential damage to the Group's image that arises from the market perception of the manner in which the Group and its SBUs package and deliver their products and services as well as how staff and management conduct themselves. It also relates to the Group's general business ethics. This can result in loss of earnings or adverse impact on market capitalisation as a result of stakeholders adopting a negative view to the Group and its actions. The risk can further arise from the Group's inability to address any of its other key risks. This risk is managed and mitigated through:

a. continuous improvements to the Group's operating facilities to ensure they remain within the taste of the Group's various stakeholders;
b. ensuring that staff subscribe to the Group's code of conduct, code of ethics and general business ethics; and
c. stakeholders' feedback systems that ensures proactive attention to the Group's reputation management.

38.11 Money-laundering risk

This is the risk of financial or reputational loss suffered as a result of transactions in which criminal financiers disguise the origin of funds they deposit in the subsidiaries of the Group and then use the funds to support illegal activities. The Group manages this risk through:

a. adherence to Know Your Customer Procedures;
b. effective use of compliance enabling technology to enhance anti–money laundering program management, communication, monitoring and reporting;
c. development of early warning systems; and
d. integration of compliance into individual performance measurement and reward structures.

38.12 Insurance risk

The principal risk that the insurance segment faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the insurance subsidiary is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The subsidiaries also purchase reinsurance as part of their risk mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

The insurance company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the company substantially dependent upon any single reinsurance contract.

38.13 Risk and Credit Ratings

CBZ Bank Limited

Rating agent	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Credit Rating	A+	A+	A	A	A	A	A+	A+	A+	A+	A	A

CBZ Life Private Limited

Rating agent	2020	2019	2018	2017	2016	2015	201 4	2013	2012	2011	2010	2009
Global Credit Rating (Financial strength)	A $_{(zw)}$-	A-	A-	BBB+	BBB+	BBB+	-	-	-	-	-	-

CBZ Insurance Private Limited

Rating agent	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Credit Rating(Claims paying ability)	BBB-	BBB+	BBB+	BBB+	BBB	BBB	-	-	-	-	-	-

CBZ Asset Management Private Limited

Rating agent	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Credit Rating (Manager quality)	MQ2$_{(zw)}$	MQ2$_{(zw)}$	A	A	A	A	-	-	-	-	-	-

38.13.2 Reserve Bank Ratings

CAMELS RATING MATRIX - 31 DECEMBER 2017 RBZ ONSITE EXAMINATION							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank (current)	2	1	3	2	2	2	2
CBZ Bank (previous)	1	1	2	1	1	2	2

Key
1. Strong 2. Satisfactory 3. Fair 4. Substandard 5. Weak

CBZ Bank Limited
Risk Matrix Summary

Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

KEY

Level of inherent risk

Low – reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.

Moderate – could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.

High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

Weak – risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.

Acceptable – management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.

Strong – management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.

Overall Composite Risk

Low Risk – would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate Risk – risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

Direction of Overall Composite Risk Rating

Increasing– based on the current information composite risk is expected to increase in the next twelve months.

Decreasing– based on current information composite risk is expected to decrease in the next twelve months.

Stable – based on the current information composite risk is expected to be stable in the next twelve months.

39. CAPITAL ADEQUACY

The capital adequacy is calculated in terms of the guidelines issued by the Reserve Bank of Zimbabwe.

	UNAUDITED	
	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Risk Weighted Assets	**36 266 041**	**2 805 581**
Total Qualifying Capital	**9 964 878**	**1 031 592**
Tier 1		
Share capital	5 118	5 118
Share premium	16 722	16 722
Revenue reserves	9 437 429	597 313
Exposure to insiders	(1 449 890)	(9 492)
	8 009 379	**609 661**
Less Tier 3	(1 087 632)	(93 994)
	6 921 747	**515 667**
Tier 2		
Revaluation reserves	1 260 996	301 889
Fair value reserve	194 081	37 875
Foreign currency translation reserve	47 096	47 096
General provisions	453 326	35 070
	1 955 499	**421 930**
Tier 3		
Capital allocated for market risk	284 107	26 211
Capital allocated to operations risk	803 525	67 784
	1 087 632	**93 995**
Capital Adequacy (%)		
Tier 1	19.09%	18.38%
Tier 2	5.39%	15.04%
Tier 3	3.00%	3.35%
Total	**27.48%**	**36.77%**

Regulatory capital, consists of Tier 1 capital which comprises share capital, share premium and retained earnings including current year profit. The other component of the regulatory capital is Tier 2 capital, which includes general provisions and revaluation reserves. The regulated minimum capital base required by the central Bank for the Bank is ZWL 25 million with a tier 1 ratio of 8% and a total capital adequacy ratio of 12%.

40. Going concern

The Directors have assessed the ability of the Group and its subsidiaries (the Group) to continue operating as a going concern and believe that the preparation of these consolidated financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these consolidated financial statements.

Particular attention is given to the issues below;

a.Legacy liabilities and nostro gap accounts:
Legacy debts were resolved through registration with the Reserve Bank of Zimbabwe. Currently, the Group is carrying a government grant receivable and nostro gap asset related to the legacy liabilities and nostro gap accounts respectively. Payments are being made available upon request by the Group to cover the gap.

b.Capital Requirements

All the Group's regulated subsidiaries are well capitalised as at 31 December 2020. The Directors expects all its banking subsidiaries to be compliant with the minimum revised requirements which the deadline has been moved to 31 December 2021.

Impact of COVID-19
COVID-19 is an economic shock analogous to the global financial crisis. During year, economic and business activity noticeably shifted to, and revolved around, the coronavirus – which was declared a global pandemic by the World Health Organisation "WHO" on 11 March. This resulted in an unprecedented disruption to global production, international trade, global supply chains and aggregate demand as well as a shift in national, organisational and household priorities in favour of health and safety. Moreover, as Governments instituted measures to combat spread of the virus, economic prospects also deteriorated. The World Bank estimates global economic activity to have contracted by 4.3% in 2020 – the sharpest decline in more than 7 decades. As the virus continues to spread globally, new variants of the being discovered and introduction of mass vaccinations across the world, the Group has considered the future impact it might have on its ability to continue to operate as a going concern.

The aforementioned developments coming from COVID 19 the operating environment resulted in new business threats and opportunities as economic agents adapted to, and refocused and remodelled their operations around, the COVID-19 pandemic. The worst affected sectors were those that depend on close contact and travel – among them tourism, transport, aviation and education. The health, ICTs and oriented sectors, however, were somewhat positively impacted by the pandemic, as the demand for their services increased. The financial services sector, being at the centre of economic activity, naturally faced downside risks from the overall reduction in economic activity. Upside risks emanated from increased demand from those sectors that were positively impacted by, and could pivot on, the pandemic.

The CBZ Group continued to leverage on its strong capital and balance sheet positions, deep understanding of the local markets, extensive investment in digital platforms and a culture of innovation to provide the much-needed support and be a source of resilience to its employees, clients and other stakeholders. The regulatory authorities' decision to allow local usage of foreign currencies enhanced the Group's ability to better respond to the evolving demands of its wide range of customers, including through developing customer centric products and preserving shareholder value. Furthermore, the addition of new, and strengthening of existing correspondent banking relationships, enabled the Group's banking subsidiaries to better meet the trade finance requirements of its clients.

The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern. Despite the foregoing, the Group has assessed that COVID-19 will not have an inhibiting impact on its ability to continue operating as a going concern.

The Directors have made the following assessment on the impact of COVID19 to the Group :

	Impact on the business
Interest Income	The Group's interest income was not significantly affected by the COVID 19. As at 31 December 2020, interest income was above budget. This is due to the growth in the loan and advances mainly coming from the Agriculture Sector. This sector constituted 56% of the Group's loans and advances as at 31 December 2020. Going forward, the expectation is that interest income is unlikely to be affected by the virus. The Group continues to have a significant concentration in Agriculture Sector and the exposure under this sector, is protected by a government guarantee. The tobacco industry also had a decent season and the international gold price is currently firm, hence the Group's exposures in these sectors are adequately covered.
Non-interest income	Non-interest income declined in April 2020 when there was full lockdown induced by Government. This resulted in restricted movement and consequently, a negative impact on transactional volumes. Since the relaxation of the lockdown regulations, non-interest income has increased because of improved transactional volumes as evidenced by the growth in non-funded income excluding revaluation income and income from fair value adjustments as well as increase in the number of contract farmers which translated to a higher uptake of inputs from suppliers resulted in a surge in the margin on input purchases. Going forward, with most countries easing down lock-down regulations and vaccinations being conducted globally, transactional activity is expected to continue to increase. The Group will continue to encourage customers to maximise the use of digital channels for transactions. The informal Sector, has also has also started operating with the Government easing the lockdown restrictions. Transactional volumes have not been significantly affected as customers have moved to using digital platforms for banking. The Group's customers have responded well to the encouragement to make use of digital platforms for transactions. The Group, has also ensured that POS terminals situated within essential services merchants are continuously being monitored to ensure that they remain operational during and after the lockdown. Retail Banking accelerated an additional 10 000 machines. R. Mugabe Branch was converted to a Money Transfer Centre in response to the increase in MTA business.
Premium income	The restrictive measures to contain the outbreak such as prolonged shut downs has had a ripple effect on the insuring individuals and corporates' ability to pay premiums. This has led to further under-insurance and selective insurance depriving the Group and the insurance industry at large of the much needed insurance premium revenue thereby negatively affecting underwriting margins. **Measures taken by the Group:** The Group carried out a review of products offering and pricing of policies exposed to the risks of covid19 such as health and business interruption policies to reflect the risk and return. Furthermore, products have been repriced to improve affordability in light of the erosion of income for clients. Insurance policies coverage for some policies to reflect low risk exposure due to movement restrictions. More importantly, operational processes have been adjusted to promote the extensive use of technology to replace face to face interactions. To this end, the Group has registered a growth in the Gross Written premium of 4.4% to ZWL931.9m [ZWL892.8 million 31 December 2019]. This has seen an improvement in underwriting margins across all product lines.
Claims & reinsurance costs	The Group offers business interruption policies among other short term insurance products. Whilst the Group has no retention on contracts covering COVID-19 related business interruption claims, the claim related expenses to assess these claims are expected to increase. Similarly, health and travel claims related to COVID 19 will also follow a similar pattern. There is likely to be reduced risk appetite on underwritten policies leading to higher reinsurance costs. A number of claims are likely to be repudiated of the basis of late notification as clients are under lockdown. **Measures taken by the Group** The Group has extended claim notification periods to accommodate policyholders. The use of technology driven processes have been favoured to reduce operating costs.

	Impact on the business
Expected Credit Losses	Expected Credit Losses (ECLs) have increased by 309% in historic terms [4.7% Inflation adjusted from December 2019 due to a number of factors including COVID 19. In March 2020, the ECL model was re-calibrated to take into account the effect of COVID 19 on lending activities. ECLs and non-performing have been on a downward trend since March 2020. Due to the Group's concentrated exposure to the productive sector with good credit enhancements, the increase in ECLs due to the impact of COVID 19 has not been significant. This ratio is expected to decrease for exposures in agriculture, while marginal increases are expected in other sectors. A modest portion of the book is not performing (as evidenced by the significantly low NPL ratios) and the appropriate provisions have been made; at the same time there is a very large part of the book that is of a very high credit quality.
Cash and Cash Equivalents	The Group held cash and cash equivalents of ZWL$10.77 billion as at 31 December 2019 and this has grown by 83.4 % to 19.75 billion as at 31 December 2020. Going forward and into year 2021, The Group will continue building up its cash reserves, given the pressure that cash resources are likely to face after the lockdown period, thus affect capacity to service the money transfer agency business. The Group is currently able to meet the cash demands of customers.
Money Market Assets	The Group's money market assets have not been affected by COVID 19. The value of Money market assets has increased by 654% from 31 December 2019. Though the Group is not operating at full capacity, credit risk is minimal, hence no significant decline in asset quality is expected.
Financial Securities	Financial Securities have not been affected by COVID 19. The value of Financial Securities has decreased by 81.61% due to maturities. Financial securities are considered to be relatively risk free, because of the counterparty involved that is, the Government.
Insurance assets	Premiums receivables are susceptible to significant impairment due to decreased revenue and earnings because of forced covid19 related closures. The Group increased its provision for doubtful insurance premium receivables by 40% in line with the increased default risk. We have also noted a deterioration in the time taken by reinsures to settle claims as we request reimbursement since the introduction of lockdown measures. **Measures taken by the Group** The Group is allowing deferral of premium payment or revision of premium payment schedule for distressed policyholders. To make it easy for clients to remit premium, the Group is responding to this by encouraging customers to make use of our digital platforms for settlement of premiums. The Group will constantly review the capacity of reinsurance counterparties to reduce the risk of non-settlement of claims.
Loans and advances	As at 31 December 2020, gross advances increased by 107% (form ZWL$14.77 billion to ZWL$30.61 billion) while net advances increased by 118% (from ZWL$13.52 billion as at 31 December 2019 to ZWL$29.44 billion as at 31 December 2020). The Group's gross advances are expected to continue increasing, given that the Group will be continuing with the winter cropping season through Agro Yield.
Unquoted Equities	Values in investments have not been significantly affected as most of the Group's investments are in the financial services sector which is part of the essential services. As at 31 December 2020 value in unquoted equities increased by 20% from December 2019 valuations. The Group's unquoted investments are significantly skewed towards the Banking and health care counters which essential. Hence, going forward, the Group is expecting a modest growth in the value of the unquoted equities.

	Impact on the business
Property and equipment	Property prices have not been adversely affected by the COVID 19 pandemic. Property and Equipment constituted 5.05% of the total assets the Group as at 31 December 2020. Valuations in ZWL have increased from the December valuations.
Intangible assets	Intangible assets do not constitute a significant amount on the statement of financial position of the Group (0.13% as at 31 December 2020). These are software packages being used by the Group for the day to day management of the business. As the business is continuing, there is no significant impact on the intangible assets as the software will continue to be in use.
Right of use of assets	The Right of use asset have not be impacted as the no rental agreements have been renegotiated and the judgements applied in arriving at the incremental borrowing rate have not changed.
Funds under management (FUM)	The Covid-19 pandemic and the associated economic crisis did not have a substantial impact on the Company's FUM which grew 108% in the 2020 financial year to close at ZWL11.4 billion. The Company's client base remained stable during the 2020 year despite the volatile operating environment experienced in the period. The Company's investment philosophy is premised on delivering positive investment performance on a rolling three-year period and to remain in the upper quartile of performance during such periods by approaching risk with prudence, discipline and foresight. Management believes that this ensures investment decision making to be executed with a long-term view and thus not be distorted by short-term volatility. The Company will also continue with efforts to diversify its client portfolios and revenue through alternative investment initiatives.
Land inventories	The Group's land inventory values have not been affected by COVID 19. As at 31 December 2020, there wasn't any write down of land inventory that was recorded. Land Inventory, constitutes 3.9% of total assets as at 31 December 2020 and hence any decline in value going forward is unlikely to have a significant impact.
Deposits	The Group's Deposits increased by 11% from 31 December 2019 largely due to an increase in the ZWL equivalent of deposit balances as a result of the depreciation of the local currency and deposit mobilisation efforts. The number and value of over the counter deposits has decreased during the lockdown period as services are only being restricted to clients within the essential services category and those that have teller on premises facilities. The Group is continuing to serve customers given that most of the branch network is now 100% operational.
Other Liabilities	Operations are continuing under the designation of essential services and there has been no compromise thus far, nor is any anticipated. The business will continue to honour the obligations outstanding as at 31 December 2021
Lease liabilities	The lease liabilities are unlikely be impacted during the 2020 financial year due to the reasons highlighted under Right of Use Asset above.
Taxation	Operations have been affected as alluded to above. The Group has however put in place various measures as detailed above to ensure continuity of the business. The business will therefore continue to honour the obligations outstanding as 31 December 2020. Taxation outstanding will also be settled in 2021.

COMPANY FINANCIAL STATEMENTS

COMPANY'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
Revenue	2	1 059 553	636 780	1 133 554	83 528
Operating expenditure	3	(994 455)	(348 841)	(704 534)	(30 100)
Operating profit		**65 098**	**287 939**	**429 020**	**53 428**
Monetary gain		418 429	398 501	-	-
Taxation	4	(18 856)	(13 695)	(14 738)	(908)
Profit for the year after tax		**464 671**	**672 745**	**414 282**	**52 520**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods.					
Gains on property revaluation		2 394	1 422	12 094	2 433
Fair value gains on equity investments		76 093	67 349	466 719	94 910
Exchange gains on change of functional currency		-	246 834	-	9 975
Deferred income tax relating to other comprehensive income	4.1	(4 397)	(3 719)	(26 326)	(5 367)
Other comprehensive income for the year net of tax		**74 090**	**311 886**	**452 487**	**101 951**
Total comprehensive income for the year		**538 761**	**984 631**	**866 769**	**154 471**
Profit for the year attributable to:					
Equity holders of parent		464 671	672 745	414 282	52 520
Total profit for the year		**464 671**	**672 745**	**414 282**	**52 520**
Total comprehensive income attributable to:					
Equity holders of parent		538 761	984 631	866 769	154 470
Total comprehensive income for the year		**538 761**	**984 631**	**866 769**	**154 470**
Basic earnings per share	6.1	89.52	129.61	79.82	10.19

COMPANY'S STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
ASSETS					
Bank and Cash	5(b)	-	40 782	-	9 091
Other assets	12	327 099	7 215	323 826	1 607
Investments in equities	8(a)	1 362 370	561 344	1 362 370	123 767
Investments in subsidiaries	8(b)	1 776 641	1 489 116	285 812	54 457
Intangible assets	10.1	168	-	40	-
Property and equipment	10	107 432	75 036	43 256	9 398
TOTAL ASSETS		**3 573 710**	**2 173 493**	**2 015 304**	**198 320**
LIABILITIES					
Overdraft	5(a)	1 112 455	-	1 112 455	-
Other liabilities	13	271 061	9 454	271 061	2 107
Deferred taxation	11	45 896	30 785	37 320	6 226
Lease liability	10.3	15 643	8 765	15 643	1 954
TOTAL LIABILITIES		**1 445 055**	**49 004**	**1 436 479**	**10 287**
EQUITY AND RESERVES					
Share capital	29.1	167 401	167 401	5 220	5 220
Share premium	29.2	1 022 979	1 022 979	33 876	33 876
Revaluation reserve		2 873	1 071	10 915	1 811
Revenue reserve	14	485 667	555 591	(17 099)	44 596
Fair Value reserve	15	202 901	130 613	535 938	92 555
FCTR		246 834	246 834	9 975	9 975
TOTAL EQUITY AND RESERVES		**2 128 655**	**2 124 489**	**578 825**	**188 033**
TOTAL LIABILITIES AND EQUITY		**3 573 710**	**2 173 493**	**2 015 304**	**198 320**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED

	Share capital ZWL$ 000	Share premium ZWL$ 000	Treasury shares ZWL$ 000	Share option reserve ZWL$ 000	Revaluation reserve ZWL$ 000	Fair value reserve ZWL$ 000	*FCTR ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non–controlling interests ZWL$ 000	Total ZWL$ 000
RESTATED											
31 DEC 2019											
Opening balance	191 414	1 115 197	(490 086)	–	246 834	32 428	66 631	344 475	1 506 893	–	1 506 893
Profit for the year	–	–	–	–	–	–	–	672 745	672 745	–	672 745
Other comprehensive income for the year	–	–	–	1 071	–	–	63 982	–	65 053	–	65 053
Exercise of share options	211	2 354	–	–	–	(706)	–	–	1 859	–	1 859
Employee share option expense	–	–	–	–	–	297	–	–	297	–	297
Treasury share Cancellation	(24 224)	(94 572)	490 086	–	–	–	–	(371 290)	–	–	–
Dividend paid	–	–	–	–	–	–	–	(122 358)	(122 358)	–	(122 358)
Cancellation of Share Options	–	–	–	–	–	(32 019)	–	32 019	–	–	–
Closing balance	**167 401**	**1 022 979**	**–**	**1 071**	**246 834**	**–**	**130 613**	**555 591**	**2 124 489**	**–**	**2 124 489**
31 Dec 2020											
Opening balance	167 401	1 022 979	–	1 071	246 834	–	130 613	555 591	2 124 489	–	2 124 489
Profit for the year	–	–	–	–	–	–	–	464 671	464 671	–	464 671
Other comprehensive income for the year	–	–	–	1 802	–	–	72 288	–	74 090	–	74 090
Dividend paid	–	–	–	–	–	–	–	(534 595)	(534 595)	–	(534 595)
Closing balance	**167 401**	**1 022 979**	**–**	**2 873**	**246 834**	**–**	**202 901**	**485 667**	**2 128 655**	**–**	**2 128 655**

UNAUDITED HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	Treasury shares ZWL$ 000	Share option reserve ZWL$ 000	Revaluation reserve ZWL$ 000	Fair value reserve ZWL$ 000	*FCTR ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non–controlling interests ZWL$ 000	Total ZWL$ 000
31 DEC 2019											
Opening balance	6 870	40 023	(17 589)	–	–	1 164	2 391	12 363	45 222	–	45 222
Profit for the year	–	–	–	–	–	–	–	52 520	52 520	–	52 520
Other comprehensive income for the year	–	–	–	1 811	9 975	–	90 164	–	101 950	–	101 950
Exercise of share options	40	450	–	–	–	(135)	–	–	355	–	355
Employee share option expense	–	–	–	–	–	57	–	–	57	–	57
Treasury shares cancellation	(1 690)	(6 597)	17 589	–	–	–	–	(9 302)	–	–	–
Dividend paid	–	–	–	–	–	–	–	(12 071)	(12 071)	–	(12 071)
Cancellation of Employee share options	–	–	–	–	–	(1 086)	–	1 086	–	–	–
Closing balance	**5 220**	**33 876**	**–**	**1 811**	**9 975**	**–**	**92 555**	**44 596**	**188 033**	**–**	**188 033**
31 Dec 2020											
Opening balance	5 220	33 876	–	1 811	9 975	–	92 555	44 596	188 033	–	188 033
Profit for the year	–	–	–	–	–	–	–	414 282	414 282	–	414 282
Other comprehensive income for the year	–	–	–	9 104	–	–	443 383	–	452 487	–	452 487
Dividend paid	–	–	–	–	–	–	–	(475 977)	(475 977)	–	(475 977)
Closing balance	**5 220**	**33 876**	**–**	**10 915**	**9 975**	**–**	**535 938**	**(17 099)**	**578 825**	**–**	**578 825**

** FCTR - Foreign Currency Translation Reserve*

COMPANY'S STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**483 527**	**686 440**	**429 020**	**53 428**
Non-cash items:				
Depreciation	13 251	11 374	3 942	477
Monetary gain	(418 429)	(398 501)	-	-
Fair value adjustment on financial instruments	49 864	56 255	(310 331)	(8 259)
Unrealised loss or gain on foreign currency position	(21 474)	(17 040)	(21 474)	(3 799)
Armortisation of Intangible Assets	47	-	16	-
Employee share option expense	-	297	-	57
Interest on lease liability	712	674	292	61
Operating cash inflow/ (outflow) before changes in operating assets and liabilities	**107 498**	**339 499**	**101 465**	**41 965**
Changes in operating assets and liabilities				
Other assets	(677 418)	13 513	(331 296)	(852)
Other liabilities	1 386 934	(426 587)	266 292	(5 659)
	709 516	**(413 074)**	**(65 004)**	**(6 511)**
Corporate tax paid	(7 458)	(315)	(7 309)	(64)
Net cash inflow from operating activities	**809 556**	**(73 890)**	**29 152**	**35 390**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net change in investments	(1 062 322)	(6 153)	(681 441)	(1 000)
Purchase of property and equipment	(14 627)	(39 136)	(9 185)	(4 602)
Net cash outflow from investing activities	**(1 076 949)**	**(45 289)**	**(690 626)**	**(5 602)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Employee share options	-	1 859	-	356
Dividend paid	(534 595)	(122 358)	(475 977)	(12 071)
Lease liability payment	(4 498)	(2 189)	(2 888)	(205)
Interest on lease liability	(292)	(674)	(292)	(61)
Net cash outflow from financing activities	**(539 385)**	**(123 362)**	**(479 157)**	**(11 981)**
Net increase / (decrease) in balances with banks and cash	**(806 778)**	**(242 541)**	**(1 140 631)**	**17 807**
Balances with banks and cash at the beginning of the year	40 782	(342 538)	9 091	(12 293)
Exchange gains on foreign cash balances	19 084	16 047	19 085	3 577
Inflation effects on cash and cash equivalents	(365 543)	609 814	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE YEAR	**(1 112 455)**	**40 782**	**(1 112 455)**	**9 091**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. INCORPORATION AND ACTIVITIES

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 18 May 2021. The Company has subsidiaries which offer commercial banking, mortgage finance, asset management, short term insurance, life assurance and other financial services and is incorporated in Zimbabwe.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
2	**REVENUE**				
	Fair value adjustments on financial instruments	(49 864)	(56 255)	310 331	8 259
	Dividend income	684 682	475 197	560 157	53 424
	Interest received	104	164	75	19
	Unrealised gain on foreign currency exchange	21 474	16 046	21 474	3 577
	Exchange gains on change of functional currency	-	994	-	222
	Management fees	403 157	200 634	241 517	18 027
		1 059 553	**636 780**	**1 133 554**	**83 528**
3	**OPERATING EXPENDITURE**				
	Staff costs	413 019	190 763	266 257	16 439
	Other administration expenses	275 995	102 881	173 346	10 391
	Audit fees	4 915	3 184	4 866	605
	Depreciation	13 251	11 374	3 942	477
	Amortisation of Intangible assets	47	-	16	-
	Interest expense	287 228	40 639	256 106	2 188
		994 455	**348 841**	**704 533**	**30 100**
4	**TAXATION**				
4.1	**The following constitutes the major components of income tax expense recognised in the Statement of profit or loss.**				
	Current tax	8 141	4 222	9 970	680
	Deferred tax	10 715	9 473	4 768	228
	Income tax expense	**18 856**	**13 695**	**14 738**	**908**
4.2	**Tax rate reconciliation**				
		%	**%**	**%**	**%**
	Notional tax	24	25.00	24	25.00
	Aids levy	0.72	0.75	0.72	0.75
	Non-deductible expenses	12.33	2.30	29.66	6.58
	Exempt income	(32.05)	(26.05)	(49.70)	(31.32)
	Tax credit	(0.17)	0.01	(0.20)	0.90
	Effect on re-basing tax bases	(0.93)	-	(1.04)	-
	Effective tax rate	**3.90**	**2.01**	**3.44**	**1.91**

Included in exempt income is income from interest and local dividend income.
Non-deductible expenses include expenditure on exempt income excess pension costs and disallowable donations.

4.3	**The following constitutes the major components of deferred income tax expense Recognised in the statement of other comprehensive income**				
	Revaluation of property and equipment	592	352	2 990	622
	Unlisted equities	3 805	3 367	23 336	4 745
		4 397	**3 719**	**26 326**	**5 367**
5(a)	**BANK OVERDRAFTS**				
	Bank Overdraft	1 134 655	-	1 134 655	-
5(b)	**BANK AND CASH**				
	Cash at bank	(1 112 455)	40 782	(1 112 455)	9 091

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at end of the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by sum of the weighted average number of ordinary shares outstanding at end of the year and the weighted average number of potentially dilutive ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
6.1 Earnings per share (ZWL)				
Basic	89.52	129.61	79.82	10.19
Fully diluted	89.52	129.61	79.82	10.19
6.2 Earnings				
Basic earnings (earnings attributable to equity holders of parent)	464 671	672 745	414 282	52 520
Fully diluted earnings	464 671	672 745	414 282	52 520
Number of shares used in calculations (weighted)	Shares	Shares	Shares	Shares
Basic earnings per share (weighted)	519 042	519 042	519 042	519 042
Fully diluted earnings per share (weighted)	519 042	519 042	519 042	519 042
6.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:				
Weighted average number of shares before				
Adjustment for treasury shares	519 042	688 024	519 042	688 024
Less: Treasury shares held	-	(168 982)	-	(168 982)
Weighted average number of shares used for diluted EPS	**519 042**	**519 042**	**519 042**	**519 042**

7. DIVIDENDS

Interim dividend paid	153 520	29 099	121 520	5 565
Final dividend proposed and paid	381 075	93 332	354 456	6 515
	534 595	**122 431**	**475 976**	**12 080**
Interim dividend per share (Cents)	29.41	10.63	23.28	1.07
Final dividend per share (Cents)	73.00	5.47	67.90	0.95

Dividends are paid on shares held at the record date net of treasury shares held on the same date.
The Dividend per share is calculated inclusive of treasury shares.

Proposed dividends on ordinary shares				
Final cash dividend	1 500 000	583 303	1 500 000	120 000
Final dividend paid per share (Cents)	287.35	103.12	287.35	22.99

Proposed Dividends on ordinary shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 December 2020.

8(a) EQUITIES INVESTMENTS

Listed investments	772 667	54 952	772 667	12 250
Unlisted investments	589 703	506 392	589 703	111 517
	1 362 370	**561 344**	**1 362 370**	**123 767**
At fair value through Other comprehensive income	589 703	506 392	589 703	111 517
At fair value through profit or loss	772 667	54 952	772 667	12 250
	1 362 370	**561 344**	**1 362 370**	**123,767**

	AUDITED				UNAUDITED			
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	%	RESTATED 31 DEC 2019 ZWL$ 000	%	HISTORICAL 31 DEC 2020 ZWL$ 000	%	HISTORICAL 31 DEC 2019 ZWL$ 000	%
(b). INVESTMENT IN SUBSIDIARIES								
CBZ Bank Limited	608 544	100	608 544	100	21 840	100	21 840	100
CBZ Asset Management (Pvt) Ltd	55 392	100	55 392	100	1 988	100	1 988	100
CBZ Building Society	532 618	100	532 618	100	19 115	100	19 115	100
CBZ Insurance (Pvt) Ltd	118 396	98.4	62 968	98.4	23 615	98.4	2 260	98.4
CBZ Properties (Pvt) Ltd	133 166	100	133 166	100	4 779	100	4 779	100
CBZ Life Assurance (Pvt) Ltd	38 675	100	38 675	100	1 388	100	1 388	100
CBZ Asset Management-Mauritius	2 477	100	2 477	100	89	100	89	100
CBZ Risk Advisory (Pvt) Ltd	37 479	100	37 479	100	1 345	100	1 345	100
Redsphere Finance	240 452	100	14 496	100	210 520	100	520	100
CBZ Agro Yield	6 141	100	6 141	100	1 000	100	1 000	100
	1 773 340		**1 491 596**		**285 679**	**100**	**54 324**	

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
9. EMPLOYEE SHARE OPTION RESERVE				
Opening balance	-	7 229	-	1 164
Share options to employees	-	(127)	-	(78)
Cancellation of share options	-	(7 102)	-	(1 086)
Closing balance	**-**	**-**	**-**	**-**

	Subscription Price	Number of Shares
Granted 1 June 2012	$0.0881	40 000 000

	31 Dec 2019 Shares
Movement for the year	
Opening balance	37 197 797
Options exercised	(4 035 388)
Options cancelled	(33 162 409)
Closing balance	**-**

10. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED

	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer & Equipment ZWL$ 000	Total ZWL$ 000
31 December 2020					
Cost					
Opening balance	40 479	21 642	5 784	37 631	105 536
Right of use assets	28 842	-	-	-	28 842
Additions	-	5 167	269	8 975	14 411
Revaluation gain	1 933	-	-	-	1 933
Closing balance	**71 254**	**26 809**	**6 053**	**46 606**	**150 722**
Accumulated depreciation					
Opening balance	4 009	695	3 717	22 079	30 500
Right of use assets	4 157	-	-	-	4 157
Charge for the year	461	2 822	1 833	3 978	9 094
Revaluation	(461)	-	-	-	(461)
Closing balance	**8 166**	**3 517**	**5 550**	**26 057**	**43 290**
Net book value	**63 088**	**23 292**	**503**	**20 549**	**107 432**

AUDITED INFLATION ADJUSTED

	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer & Equipment ZWL$ 000	Total ZWL$ 000
31 December 2019					
Cost					
Opening balance	5 016	-	5 784	20 137	30 937
Right of use assets	27 690	-	-	-	27 690
Foreign currency translation movement	6 681	-	-	-	6 681
Additions	-	21 642	-	17 494	39 136
Revaluation gain	1 092	-	-	-	1 092
Closing balance	**40 479**	**21 642**	**5 784**	**37 631**	**105 536**
Accumulated depreciation					
Opening balance	-	-	1 900	17 556	19 456
Right of use assets	4 009	-	-	-	4 009
Charge for the year	330	695	1 817	4 523	7 365
Revaluation	(330)	-	-	-	(330)
Closing balance	**4 009**	**695**	**3 717**	**22 079**	**30 500**
Net book value	**36 470**	**20 947**	**2 067**	**15 552**	**75 036**

UNAUDITED HISTORICAL

	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer & Equipment ZWL$ 000	Total ZWL$ 000
31 December 2020					
Cost					
Opening balance	5 010	2 579	208	2 746	10 543
Right of use assets	16 577	-	-	-	16 577
Additions	-	3 702	250	5 177	9 129
Revaluation gain	11 871	-	-	-	11 871
Closing balance	**33 458**	**6 281**	**458**	**7 923**	**48 120**
Accumulated depreciation					
Opening balance	222	61	134	728	1 145
Right of use assets	2 778	-	-	-	2 778
Charge for the year	223	350	78	513	1 164
Revaluation	(223)	-	-	-	(223)
Closing balance	**3 000**	**411**	**212**	**1 241**	**4 864**
Net book value	**30 458**	**5 870**	**246**	**6 682**	**43 256**

UNAUDITED HISTORICAL

	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer & Equipment ZWL$ 000	Total ZWL$ 000
31 December 2019					
Cost					
Opening balance	180	-	208	723	1 111
Right of use assets	2 159	-	-	-	2 159
Foreign currency translation movement	270	-	-	-	270
Additions	-	2 579	-	2 023	4 602
Revaluation gain	2 401	-	-	-	2 401
Closing balance	**5 010**	**2 579**	**208**	**2 746**	**10 543**
Accumulated depreciation					
Opening balance	-	-	69	631	700
Right of use assets	222	-	-	-	222
Charge for the year	32	61	65	97	255
Revaluation	(32)	-	-	-	(32)
Closing balance	**222**	**61**	**134**	**728**	**1 145**
Net book value	**4 788**	**2 518**	**74**	**2 018**	**9 398**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
10.1	**Intangible assets**				
	At cost	216	-	56	-
	Accumulated amortization	(48)	-	(16)	-
	Carrying amount	**168**	**-**	**40**	**-**
	Opening balance	-	-	-	-
	Additions	216	-	56	-
	Amortization charge	(48)	-	(16)	-
	Closing balance	**168**	**-**	**40**	**-**

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets are amortised over their useful life of 3 years.

Included in property and equipment are amounts relating to Right of use assets for buildings that are leased by the Company for periods more than one year. The information about the leases for which the Company is a lessee is presented below:

10.2	**Right of use assets**				
	At cost	56 532	27 690	18 735	2 159
	Depreciation	(8 166)	(4 009)	(3 000)	(222)
	Carrying amount	**48 366**	**23 681**	**15 735**	**1 937**

The Company leases its head office from CBZ Asset Management under finance leases. The building is used as the Head office by the Company.

10.3	**Lease liability**				
	Opening balance	8 765	27 690	1 954	2 159
	Additions	28 841	-	16 577	-
	Interest	712	674	292	61
	Repayment	(4 790)	(2 862)	(3 180)	(266)
	Monetary adjustment	(17 885)	(16 737)	-	-
		15 643	**8 765**	**15 643**	**1 954**
10.4	**Lease liability maturity analysis**				
	Less than one year	5 742	-	5 742	-
	One to five years	12 440	8 765	12 440	1 954
	More than five years	-	-	-	-
	Total undiscounted lease liabilities	**18 182**	**8 765**	**18 182**	**1 954**
10.5	**Amounts recognised in the statement of profit or loss**				
	Interest on lease liabilities	**712**	**674**	**292**	**61**
10.6	**Amounts recognised in the statement of cash flows**				
	Total cash outflow for leases	**4 790**	**2 862**	**3 180**	**266**

11. DEFERRED TAXATION

Deferred tax liability
Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.

The deferred tax included in the statement of financial position and
changes recorded in the statement of profit or loss and other comprehensive income comprised of

Opening balance	30 785	17 593	6 226	631
Equity investments	12 740	6 991	31 757	4 828
Property and equipment	2 398	5 331	(663)	767
Intangible assets	31	3	-	-
Other	(58)	867	-	-
Closing balance	**45 896**	**30 785**	**37 320**	**6 226**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL$ 000	RESTATED 31 DEC 2019 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2019 ZWL$ 000
12 OTHER ASSETS				
Intercompany balances				
CBZ Bank	-	915	-	204
CBZ Asset Management Mauritius	284 617	179	284 617	40
CBZ Risk Advisory	1 283	37	1 283	8
Red Sphere	65	23	65	5
CBZ Properties	1 823	2 274	1 823	507
CBZ Agro Yield	27 650	-	27 650	-
Other receivables	11 661	3 787	8 388	843
	327 099	**7 215**	**323 826**	**1 607**
13 OTHER LIABILITIES				
Intercompany balances				
CBZ Bank	175 355	-	175 355	-
CBZ Asset Management	2 085	-	2 085	-
CBZ Building Society	13 141	-	13 141	-
CBZ Insurance	673	323	673	72
CBZ Life	1 382	-	1 382	-
Sundry creditors and accruals	78 425	9 131	78 425	2 035
	271 061	**9 454**	**271 061**	**2 107**
14 RETAINED EARNINGS				
Opening balance	555 591	344 475	44 596	12 363
Total comprehensive income for the year	464 671	672 745	414 282	52 520
Cancellation of treasury shares	-	(371 290)	-	(9 302)
Cancellation of share options	-	32 019	-	1 086
Dividends paid	(534 595)	(122 358)	(475 977)	(12 071)
	485 667	**555 591**	**(17 099)**	**44 596**
15 FAIR VALUE RESERVE				
Opening balance	130 613	66 631	92 555	2 391
Comprehensive income for the year	72 288	63 982	443 383	90 164
	202 901	**130 613**	**535 938**	**92 555**

COMPANY ACCOUNTING POLICIES

Accounting policies

The Company accounting policies are consistent with those applied in the Group's financial statements.

NOTICE OF
ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirtieth Annual General Meeting** of the Shareholders of CBZ Holdings Limited will be held through a **virtual platform** on **22 July 2021** at **0900hours (CAT)** for the purpose of transacting the following business:

ORDINARY MATTERS

a) To note and approve the convening of the 30th Annual General Meeting through a virtual platform.

b) To receive and consider the Audited Annual Financial Statements for the year ended 31 December 2020, including the Chairman's, Group Chief Executive's Reports and the Report of the External Auditors.

c) To consider the payment of a final dividend to Members.

d) Directorate

   i) In terms of the Company's Memorandum and Articles of Association, one third of the Directors are required, after serving a period of three years, to retire from the Board by rotation and that in terms thereof Messrs Blessing Mudavanhu is to retire and, being eligible, offers himself for reappointment.

e) To approve Directors' fees for the year ended 31 December 2020.

f) To approve External Auditors' fees for the year ended 31 December 2020.

g) To note the retirement of Ernst & Young as External Auditors of the Company, after having served their statutory term.

h) To appoint External Auditors of the Company for the year ending 31 December 2021.

BY ORDER OF THE BOARD

Rumbidzayi Angeline Jakanani
GROUP LEGAL CORPORATE SECRETARY

REGISTERED HEAD OFFICE
5 Campbell Road
Pomona
Borrowdale
Harare, Zimbabwe
Telephone: (263-4) 748 050 - 79
Email: info@cbzh.co.zw

18 June 2021

NOTES:

a. Members are entitled to appoint a proxy (or more than one proxy) to attend, speak and vote in his or her stead. The proxy need not be a Member of the Company.

b. In terms of the Company's Articles of Association, the proxy must be lodged at the registered office of the Company at least forty-eight hours before the time appointed for holding the meeting. Completed proxies can also be lodged with the Company's Transfer Secretaries at:- **First Transfer Secretaries, 1 Armagh, Avenue, Harare**

c. Shareholders can also submit electronic proxy forms through email, to **info@fts-net.com** and **ftsgen@fts-net.com**

DIRECTORS:
Marc L Holtzman, Edward E. Galante, Rebecca L. Gaskin Gain, Louis C. Gerken,
Edward U. Mashingaidze, Blessing Mudavanhu* (Group Chief Executive Officer),
Tawanda L. Gumbo*(Group Chief Finance Officer)
* Executive Director

Partners for Success

Banking | Insurance | Investments | Agro-Business

cbz Holdings

GROUP DETAILS

REGISTERED HEAD OFFICE

5 Campbell Road
Pomona, Borrowdale
Harare, Zimbabwe
Telephone: (263-242) 748 050 - 79
Email: info@cbz.co.zw
www.cbz.co.zw

TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea
Harare
P O Box 11 Harare
Zimbabwe
Tel:+263 4 782869/72; +263 772 146157
+263 4 749048
Email: info@fts-net.com
www.fts-net.com

LEGAL PRACTITIONERS

Mawere & Sibanda Legal Practitioners
3rd Floor Chiyedza House
1st Street/ Kwame Nkrumah Avenue
P.O Box CY 1376
Causeway
Harare, Zimbabwe

AUDITORS

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way/ Kwame Nkrumah Avenue
P O Box 62 or 702
Harare Zimbabwe Tel: +263 4 750905-14 or 750979-83
Fax: +263 4 750707 / 773842
Email: admin@zw.ey.com
www.ey.com

NOTES

FORM OF PROXY

I/We……………………………………………………………………

Of…………………………………………………………………...

Being a member of CBZ Holdings Limited and entitled to……………………….votes hereby

appoint…………………………………………………….Of……………………………………

Or failing him/her…………………………………………………………………………..as my/our proxy to vote for me/us and on

my/our behalf at the Annual General Meeting to be held through Zoom at 0900 hours and at any adjournment thereof.

Signed by me this ___________________________ day of_________________________ 2021

Signature: _________________________________

NOTES:

1. Any member of the Company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person, whether a member of the Company or not, as his proxy to attend, vote and speak in his stead.

2. Proxy Forms should be forwarded to reach office of the Company at least 48 (forty-eight) hours before the time appointed for holding the meeting.

3. An instrument appointing a proxy shall be valid only for the one specified meeting for which it shall be submitted and any adjournment thereof.

NOTES

NOTES

cbz Holdings

Registered Head Office
5 Campbell Road
Pomona
Harare

Telephone: (263-242) 748 050 - 79

Email: info@cbzh.co.zw

www.cbz.co.zw